

STATE OF WASHINGTON

PROPOSED 2004 SUPPLEMENTAL BUDGET

RECOMMENDATION SUMMARIES

We will make education the first priority in every budget we write.

— Governor Gary Locke
Inaugural Address, January 15, 1997

GOVERNOR GARY LOCKE
OFFICE OF THE GOVERNOR

CONTENTS

Introduction	1
--------------------	---

Legislative

House of Representatives	3
Joint Legislative Systems Committee.....	4

Judicial

Supreme Court.....	5
Law Library	6
Court of Appeals	7
Administrator for the Courts	8
Office of Public Defense.....	10

Governmental Operations

Governor	11
Secretary of State	12
Governor's Office of Indian Affairs	15
State Treasurer	16
Commission on Salaries for Elected Officials	17
Attorney General.....	18
Department of Community, Trade, and Economic Development	20
Office of Financial Management.....	23
Office of Administrative Hearings	25
Public Printer.....	26
Department of General Administration.....	27
Department of Information Services.....	28
Insurance Commissioner	29
Liquor Control Board	30
Utilities and Transportation Commission.....	31
Military Department.....	32
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	35

RECOMMENDATION SUMMARIES

Human Services – DSHS

Department of Social and Health Services	36
Children's Administration.....	38
Juvenile Rehabilitation.....	40
Mental Health	42
Developmental Disabilities	45
Long Term Care	47
Economic Services Administration	50
Alcohol and Substance Abuse.....	52
Medical Assistance Payments.....	54
Vocational Rehabilitation	59
Administration and Supporting Services.....	60
Payments to Other Agencies.....	61
Information System Services.....	62

Human Services – Other

Washington State Health Care Authority	63
Board of Industrial Insurance Appeals.....	65
Department of Labor and Industries	66
Home Care Quality Authority	68
Department of Health.....	69
Department of Veterans Affairs	71
Department of Corrections.....	72
Employment Security Department	76

Natural Resources and Recreation

Department of Ecology	77
State Parks and Recreation Commission	80
Interagency Committee for Outdoor Recreation	81
Environmental Hearings Office	82
Department of Fish and Wildlife.....	83
Department of Natural Resources	86
Department of Agriculture.....	87

Transportation

Board of Pilotage Commissioners.....	88
Washington State Patrol	89
Department of Licensing.....	91
Department of Transportation.....	94
County Road Administration Board.....	116
Transportation Improvement Board	117
Marine Employees' Commission.....	118
Transportation Commission.....	119
Freight Mobility Strategic Investment Board	120

Kindergarten Through Grade 12 Education

Office of the Superintendent of Public Instruction	121
--	-----

Higher Education

Higher Education Coordinating Board	138
University of Washington	140
Washington State University	141
Eastern Washington University	142
Central Washington University	143
The Evergreen State College	144
Western Washington University	145
Community and Technical College System	146

Other Education

School for the Blind	147
----------------------------	-----

Special Appropriation Agencies

State Employee Compensation	148
Bond Retirement and Interest	149
Special Appropriations to the Governor	150
Sundry Claims	152

Statewide Expenditure Summary	153
--	------------

Capital

Capital Plan Project List	157
Capital Plan Fund Summary	167
Capital Alternate Financing Projects	168

Introduction

The 2004 Supplemental *Recommendation Summaries* document contains summary tables that display the major dollar differences between each agency's current 2003-05 expenditure authority and the revised biennial budget proposed by the Governor.

The described changes also reference the affected agency activities. Descriptions of the activities that result from the current 2003-05 budget can be found at <http://www.ofm.wa.gov/budget/activity/03-05/activity.htm> or in the Web version of this document by clicking on the 2003-05 Expenditure Authority line link located on each agency's recommendation summary page.

An asterisk (*) at the end of the item label indicates expenditure changes that are dependent on new revenue legislation. Any changes that require other types of legislation are identified by a pound sign (#).

This document also contains: the 2004 Supplemental Capital Plan project list, a fund summary, and proposed Alternate Financing Projects (certificates of participation authorizations).

*Agency 011***House of Representatives****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	388.3	56,342	45	56,387
Supplemental Changes				
Fiscal Year Transfer				
Subtotal - Supplemental Changes				
Total Proposed Budget	388.3	56,342	45	56,387
Difference				
Percent Change	0.0%	0.0%	0.0%	0.0%

Supplemental Changes**Fiscal Year Transfer**

A technical correction is made by transferring \$512,000 from Fiscal Year 2005 to Fiscal Year 2004.

RECOMMENDATION SUMMARIES

Agency 038

Joint Legislative Systems Committee

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	48.0	13,507	1,813	15,320
Supplemental Changes				
Legislative Network Equipment Wiring Closets		410		410
Legislative Audio System		300		300
Legislative Cable Television Connectivity		65		65
DAS Connectivity to Network		125		125
Distributed Antenna System (DAS)		500		500
Subtotal - Supplemental Changes		1,400		1,400
Total Proposed Budget	48.0	14,907	1,813	16,720
Difference		1,400		1,400
Percent Change	0.0%	10.4%	0.0%	9.1%

Supplemental Changes

Legislative Network Equipment Wiring Closets

The computing network equipment servicing the thin-net network from the Legislative Building's wiring closets, which are located on each floor, must be replaced so that new wiring for the legislative computing network will be capable of serving legislative users upon their return to the building.

Legislative Audio System

To ensure an adequate legislative audio system upon return to the Legislative Building, Senate and House Chamber audio equipment, some of which was installed prior to 1989, is replaced and relocated to the fifth floor above each chamber.

Legislative Cable Television Connectivity

Cable television service existed in the Legislative Building prior to the Legislative Building Rehabilitation Project (LBRP). The LBRP includes the cabling portion of this service, but does not include the amplifiers and multiplexers to make the system functional. Funding is provided to correct this oversight.

DAS Connectivity to Network

Funding is provided for the telecommunications equipment (access points, switches, and management software) required to connect the distributed antenna system (DAS) antennas and cabling to the wired network.

Distributed Antenna System (DAS)

LBRP afforded a cost-effective opportunity to install the infrastructure for emerging information technologies while walls and conduits were exposed. The selected DAS includes cabling and antennas to enable wireless emergency, cellular, and local area network (LAN) communications throughout the building.

Agency 045

Supreme Court**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	61.9	11,127		11,127
Supplemental Changes				
Supreme Court Justice Salary Increase		35		35
Editorial Assistant	.7	60		60
Reclassify Reporter of Decisions		37		37
Unemployment Compensation		47		47
Capital Counsel Panel		28		28
Subtotal - Supplemental Changes	.7	207		207
Total Proposed Budget	62.6	11,334		11,334
Difference	.7	207		207
Percent Change	1.1%	1.9%		1.9%

Supplemental Changes**Supreme Court Justice Salary Increase**

The Washington Citizens' Commission on Salaries for Elected Officials has adopted a salary increase for Supreme Court judges. Funding is provided for this salary increase.

Editorial Assistant

The volume of work within the Office of the Reporter of Decisions has increased by 53 percent since 1995. Funding is provided for an additional full time equivalent staff to help address this increased workload.

Reclassify Reporter of Decisions

Funding is provided to cover the increased costs associated with the reclassification of the Supreme Court Reporter of Decisions.

Unemployment Compensation

Funding is provided for the reimbursement of payments made to the Employment Security Department for unemployment compensation.

Capital Counsel Panel

The Panel for Appointment of Attorneys in Death Penalty Cases has been expanded. Funding is provided for the associated higher costs of the panel.

RECOMMENDATION SUMMARIES

Agency 046

Law Library

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	13.8	4,095		4,095
Supplemental Changes				
Extraordinary Inflation		901		901
Unemployment Compensation		4		4
Other Insurance		3		3
Subtotal - Supplemental Changes		908		908
Total Proposed Budget	13.8	5,003		5,003
Difference		908		908
Percent Change	0.0%	22.2%		22.2%

Supplemental Changes

Extraordinary Inflation

The State Law Library has experienced extraordinary inflation. Funding is needed to mitigate the effects of this inflation on the office.

Governor's Note: While I am unable to amend this judicial request, I do not support funding of a 22 percent increase in this budget for an inflationary increase. The Legislature acted on this specific item when it provided \$229,000 in the original 2003-05 biennial budget. Nothing has changed since the original budget was enacted to indicate that this item is now a higher priority of government.

Unemployment Compensation

Funding is provided for the reimbursement of payments made to the Employment Security Department for unemployment compensation.

Other Insurance

The cost of fidelity bonds, commercial property insurance, commercial insurance broker fees, Department of Transportation administration fees, Office of Risk Management fees, and Attorney General defense fees have all increased. Funding is provided to cover these increases.

Agency 048

Court of Appeals**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	140.6	25,257		25,257
Supplemental Changes				
Judges Salary Increase		51		51
Additional Staff	1.0	190		190
Unemployment Compensation		24		24
Subtotal - Supplemental Changes	1.0	265		265
Total Proposed Budget	141.6	25,522		25,522
Difference	1.0	265		265
Percent Change	0.7%	1.0%		1.0%

Supplemental Changes**Judges Salary Increase**

The Washington Citizens' Commission on Salaries for Elected Officials has adopted a salary increase for Court of Appeals judges. Funding is provided for this salary increase.

Additional Staff

Court of Appeals, Division II, case management staff positions are added.

Unemployment Compensation

Funding is provided for the reimbursement of payments made to the Employment Security Department for unemployment compensation.

RECOMMENDATION SUMMARIES

Agency 055

Office of Administrator for the Courts

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	347.1	34,635	71,292	105,927
Supplemental Changes				
Lease Rate Adjustments			218	218
Superior Court Salary Increases		411		411
Superior Court Judges		526		526
Unemployment Compensation			170	170
Disaster Recovery			1,100	1,100
JIS Migration Phase II Extension			1,400	1,400
JIS Migration Phase III			1,400	1,400
Continuing Education General Rule	.8		312	312
Subtotal - Supplemental Changes	.8	937	4,600	5,537
Total Proposed Budget	347.8	35,572	75,892	111,464
Difference	.8	937	4,600	5,537
Percent Change	0.2%	2.7%	6.5%	5.2%

Supplemental Changes

Lease Rate Adjustments

The Administrative Office of the Courts (AOC) will merge geographically dispersed staff into one central location. Funding is provided for increased costs associated with the new lease agreement. (Public Safety and Education Account-State)

Superior Court Salary Increases

The Washington Citizens' Commission on Salaries for Elected Officials has adopted a salary increase for Superior Court judges. Funding is provided for this salary increase which is effective on September 1, 2004.

Superior Court Judges

Chapter 96, Laws of 2003, authorized five new Superior Court judge positions in Kitsap, Benton-Franklin, Kittitas, and Clark (two positions) counties. Funding is provided to implement this legislation.

Unemployment Compensation

Funding is provided for the reimbursement of payments made to the Employment Security Department for unemployment compensation. (Public Safety and Education Account-State)

Disaster Recovery

Funds are provided for information technology disaster recovery/business resumption planning and implementation. (Judicial Information Systems Account-State)

JIS Migration Phase II Extension

Revenue uncertainties during the 2001-2003 Biennium caused the AOC to delay the implementation of the Judicial Information System (JIS) Migration Phase II. Specifically, the Superior Court case management system (SCOMIS) design and the warrant and judgment and sentence modules were delayed. Funding is provided to continue implementation of phase II. (Judicial Information Systems Account-State)

JIS Migration Phase III

Funding is provided for full implementation of the Judicial System Migration Plan for 2003-2005. (Judicial Information Systems Account-State)

Continuing Education General Rule

Implementation of Supreme Court General Rule (GR 26) requires continuing education for judicial officers. Funding is provided for this continuing education, the expansion of court administration education programs, and expansion of the Judicial College. (Public Safety and Education Account-State)

RECOMMENDATION SUMMARIES

Agency 056

Office of Public Defense

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	5.5	1,550	12,395	13,945
Supplemental Changes				
Mandatory Caseload Adjustments			388	388
Subtotal - Supplemental Changes			388	388
Total Proposed Budget	5.5	1,550	12,783	14,333
Difference			388	388
Percent Change	0.0%	0.0%	3.1%	2.8%

Supplemental Changes

Mandatory Caseload Adjustments

The Washington State Office of Public Defense's budget is increased to cover additional workload and to provide expenditure authority for belated claims. (Public Safety and Education Account-State)

Agency 075

Office of the Governor**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	56.7	7,549	4,994	12,543
Supplemental Changes				
Hood Canal Early Actions		100		100
Kindergarten Readiness Guidelines		100		100
Governor's Transition Team	.5	135		135
Subtotal - Supplemental Changes	.5	335		335
Total Proposed Budget	57.2	7,884	4,994	12,878
Difference	.5	335		335
Percent Change	0.9%	4.4%	0.0%	2.7%

Supplemental Changes**Hood Canal Early Actions**

In early October 2003, thousands of fish, shrimp and crabs were found dead in waters from Annas Bay to Hoodspout. This is the second time in two years that large fish kills have been reported in the canal. Preliminary scientific study and assessment indicates the primary cause of the kills is low levels of dissolved oxygen in Hood Canal. The Puget Sound Action Team is currently detailing the causes contributing to low dissolved oxygen levels in a report, and expects recommendations for early corrective actions to be available by March 2004. Funding is provided to begin implementation of early corrective action projects to reduce and/or prevent major sources of human-related pollution and nutrients from entering the canal. This item affects the Puget Sound Water Quality Action Team activity.

Kindergarten Readiness Guidelines

Success in meeting our high expectations for K-12 student performance, and reducing the achievement gap, is dependent on having more children ready for school when they enter kindergarten. One-time funding is provided for an interdisciplinary team to work with both the early childhood care and education communities to identify the characteristics of schools ready for children and children ready for school. Research-based, voluntary guidelines will be developed and disseminated to child care providers, pre-school teachers, parents, kindergarten teachers, and the public at large as an aid for developing appropriate curricula and activities to prepare children to enter school. This project will be a coordinated effort between the Office of the Governor and the Office of the Superintendent of Public Instruction. This item affects the Executive Operations for Governor's Office activity.

Governor's Transition Team

Funding is provided to cover the costs of the new Governor's transition team for the period of November 2004 through January 2005. This item affects the Executive Operations for Governor's Office activity.

RECOMMENDATION SUMMARIES

Agency 085

Office of the Secretary of State

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	266.3	41,428	40,479	81,907
Supplemental Changes				
Savings - 2004 Presidential Primary		(6,038)		(6,038)
Nonappropriated Fund Adjustment			597	597
Health Benefits - Archive Local			28	28
Eastern Regional/Digital Archive	1.3		1,756	1,756
Security Microfilm Inspection	1.0		125	125
Security Microfilm Storage Vault			100	100
Internet Voting Project Staff	.9			
Security Microfilm Reparation			198	198
Help America Vote Act Compliance	3.8		23,140	23,140
Subtotal - Supplemental Changes	6.9	(6,038)	25,944	19,906
Total Proposed Budget	273.2	35,390	66,423	101,813
Difference	6.9	(6,038)	25,944	19,906
Percent Change	2.6%	(14.6)%	64.1%	24.3%

Supplemental Changes

Savings - 2004 Presidential Primary

The passage of House Bill 2297 in December 2003 cancelled the presidential primary that was to be held in 2004. As a result, the state will save the \$6.038 million provided in the Secretary of State's 2003-05 biennial budget, because it will not need to reimburse counties for election administration costs.

Nonappropriated Fund Adjustment

Because the demand for imaging services has increased, additional expenditure authority is required for the Imaging Services activity to meet expected customer demand in the 2003-05 Biennium. (Imaging Account-Nonappropriated)

Health Benefits - Archive Local

The Local Government Archives Account was created during the 2003 legislative session; however, a health benefit allocation was not provided for the employees whose salaries are funded by the account. This item provides this health benefit allocation, and relates to the following activities: State Archives, Records Management, Digital Archives, and Imaging Services and Micrographics. (Local Government Archives Account-State)

Eastern Regional/Digital Archive

The new Eastern Regional Archives and Digital Archive facility, located on the campus of Eastern Washington University, will be completed and become operational in Spring 2004. The Eastern Regional Archives will provide traditional paper-based records management services and historical records preservation and research capabilities to the eleven easternmost counties of the state. The new Digital Archives will serve as a central repository for electronic "essential" records and archival/historical records, which require long-term retention (over six years). Funds are provided for additional facility capital costs, digital archive technology architecture costs, and additional digital archive staff and operational costs. Building plan changes, required as a result of building code changes and additional site preparation, necessitate that an additional \$589,000 be provided for these capital related costs.

A recent Information Services Board feasibility study documents the need for a digital archives' information technology architecture for public records created and/or maintained by state and local governments in electronic format. The Digital Archives' activity will procure a storage area network, automated tape library, communications equipment, and associated servers, using a four-year Certificate of Participation through the Office of the State Treasurer, at an estimated cost of \$2.8 million (\$700,000 is appropriated in the 2003-05 Biennium for this purpose).

Finally, an additional \$467,000 is earmarked for ongoing staff and operational costs, and one-time costs associated with the initial facility opening. Senior level information technology positions (2.5 full-time equivalent staff) are added to manage a large storage area network and tape library, maintain legacy equipment and software, migrate data from old (legacy) systems to new systems, maintain a web presence, manage data delivered from client agencies, provide technical assistance to agencies transmitting data, and maintain the network environment for research. Eastern Washington University staff will maintain the facility and grounds. Some additional resources are provided to reimburse them for this service. One-time costs are provided for the following: an external quality assessment consultant during implementation of the Digital Archives' enterprise technology architecture, temporary facility furnishings' storage, and feasibility study consultant costs. (Archives and Records Management Account-State, Local Government Archives Account-State)

Security Microfilm Inspection

Security microfilm provides the back-up copy of essential state and local government records. Film is required to be inspected upon receipt by security microfilm program staff to ensure that it meets archival standards, and then it is catalogued in a database and placed into the temperature and humidity-controlled archives security microfilm vaults. Timely inspection of incoming security microfilm is needed to correct defective microfilm. Because of the growing volume of essential state and local government records, funds are provided for additional staff to perform these inspections. Activities that benefit from this service include Imaging Services and Micrographics. (Archives and Records Management Account-State, Local Government Archives Account-State)

Security Microfilm Storage Vault

For preservation purposes, security microfilm must be stored in a temperature-controlled facility. Funds are provided to construct a new vault within the State Archives' building for the growing volume of local government security microfilm. The Imaging Services and Micrographics activities will use this new vault. (Local Government Archives Account-State)

Internet Voting Project Staff

The Secure Electronic Registration and Voting Experiment (SERVE) is a demonstration project sponsored by the federal government that will allow citizens and military personnel stationed overseas to register and vote using the Internet. Chapter 17, Laws of 2003, 1st Special Session, authorized Washington to participate as one of 15 states in the demonstration project. The goal of the demonstration project is to increase military/overseas citizens' voting rate by 19 percent (from 45 percent to 64 percent). The Office of the Secretary of State will use current resources to hire a temporary program coordinator to act as liaison between the state and participating local governments, as well as with the Federal Voting Assistance Program. The project will conclude following the November 2004 general election and the subsequent publication of a final report in March 2005. The Voting Registration and Initiative Services activity will implement this project.

Security Microfilm Reparation

The local government security microfilm inspection program has uncovered the need for reparation work on a significant number of older security microfilm. Funds are provided to conduct reparation work on a sample of poor quality security microfilm to assess a range of problems and determine appropriate treatment for all impaired film in the Archives' holdings. This affects the Imaging Services and Micrographics activities. (Local Government Archives Account-State)

Help America Vote Act Compliance

Congress passed the Help America Vote Act (HAVA) of 2002 to improve election administration, voter outreach, and education. During the 2001-03 Biennium, the state received \$13.121 million (General Fund-Federal) for election reform payments. These funds will be used primarily to replace punch card voting machines and to develop a statewide voter registration database.

RECOMMENDATION SUMMARIES

Washington State is also eligible to receive up to \$62.8 million (General Fund-Federal) during the 2003-05 Biennium for election requirement payments to help the state meet the new HAVA mandates. These payments require a state matching amount of five percent, or \$3.14 million (General Fund-State), which is provided in the Special Appropriations agency budget. The five percent state General Fund match, and \$20 million of federal funds, are provided to the Voter Registration and HAVA Local Grant Program activities for the following purposes: development of a statewide voter registration database; procurement of direct recording electronic equipment or other disability access devices to allow people with disabilities to vote unassisted; improvement of voter registration lists by reducing duplication and opportunities for fraudulent behavior; and implementation of a Local Government Grant activity to enhance election administration, voter outreach, and education.

During the 2003-05 Biennium, three full-time equivalent (FTE) project staff will be hired to develop a statewide voter registration database and administer the replacement of punch card voting machines, and two FTE project staff will be hired to serve as the HAVA coordinator and HAVA webmaster. The coordinator will be responsible for developing and implementing the local government grant program as well as ensuring that federal audit and reporting requirements are met. The HAVA webmaster will continually monitor and update the Elections Division website with current news and events affecting elections in Washington State. Both state and federal funds will be transferred into, and expended out of, a newly created Elections Account. (Elections Account-State, Elections Account-Federal)

*Agency 086***Governor's Office of Indian Affairs****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	2.3	467		467
Supplemental Changes				
Technical Correction		17		17
Subtotal - Supplemental Changes		17		17
Total Proposed Budget	2.3	484		484
Difference		17		17
Percent Change	0.0%	3.6%		3.6%

Supplemental Changes**Technical Correction**

In the 2003-05 biennial budget, the Governor's Office of Indian Affairs (GOIA) was reduced from 4.0 full time equivalent staff to 2.3 full time equivalent staff and co-located with the other minority affairs commissions. This move maximized efficiencies and resulted in savings of \$83,000. The agency's budget, however, was erroneously reduced by \$100,000. The difference of \$17,000 is 3.5 percent of the GOIA budget. Because the agency is so small, without restoration of this funding, GOIA is not able to meet its basic obligations for salaries, benefits, rent, and payments to other agencies. Funding is provided to correct this technical error.

RECOMMENDATION SUMMARIES

Agency 090

Office of State Treasurer

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	72.2		13,149	13,149
Supplemental Changes				
Bank of America Contract Increase			168	168
Debt Management Services	.8		146	146
Subtotal - Supplemental Changes	.8		314	314
Total Proposed Budget	72.9		13,463	13,463
Difference	.8		314	314
Percent Change	1.0%		2.4%	2.4%

Supplemental Changes

Bank of America Contract Increase

The Office of State Treasurer renegotiated its contract for banking services with the Bank of America. While individual transaction fees were lowered, a growth in the number of transactions and the low interest rate environment resulted in higher net costs for banking services. This item relates to the Banking Services activity. (State Treasurer's Service Account)

Debt Management Services

Funding is provided to the Debt Management Services activity for 1.0 full time equivalent staff to support the State Finance Committee's recent increase in authority and the level of financing associated with the sale of higher education facilities and transportation bonds. (State Treasurer's Service Account)

*Agency 099***Commission on Salaries for Elected Officials****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1.2	240		240
Supplemental Changes				
Office Operations	.1	29		29
Evaluate Elected Positions		35		35
Subtotal - Supplemental Changes	.1	64		64
Total Proposed Budget	1.3	304		304
Difference	.1	64		64
Percent Change	8.7%	26.7%		26.7%

Supplemental Changes**Office Operations**

Funds are provided to operate and staff the Office of the Citizens' Commission on Salaries for Elected Officials at a 50 percent level in the first fiscal year of the biennium. The funding allows for office coverage from 8 a.m. to 4 p.m., Monday through Friday, during Fiscal Year 2004. This item supports the Salary Setting for Elected Officials activity.

Evaluate Elected Positions

The positions of legislator, Supreme Court Justice, and judges of the Court of Appeals, Superior Court, and District Court, are reviewed through a point factor job evaluation. This information is needed for consideration by the 2005 Commission for setting the 2005-06 salary schedule for the state's elected officials. Funding is provided to conduct these evaluations. This item also supports the Salary Setting for Elected Officials activity.

RECOMMENDATION SUMMARIES

Agency 100

Office of Attorney General

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,084.0	8,166	174,097	182,263
Supplemental Changes				
County Prosecutor Tort Costs		61		61
Pacific Sound Resources Litigation	1.0		818	818
Violent Video Games Litigation	.6	231		231
Return of Office Relocation Funding			(179)	(179)
Licensing Caseload Increases			600	600
Hallett Case	.3		40	40
Homicide Investigative Tracking	1.0		187	187
Subtotal - Supplemental Changes	2.9	292	1,466	1,758
Total Proposed Budget	1,086.8	8,458	175,563	184,021
Difference	2.8	292	1,466	1,758
Percent Change	0.3%	3.6%	0.8%	1.0%

Supplemental Changes

County Prosecutor Tort Costs

Funding is provided to reimburse the Risk Management account for tort defense costs, including outside counsel and expert witnesses for county prosecutor cases. This item affects the Administrative activity.

Pacific Sound Resources Litigation

Pacific Sound Resources and the Port of Seattle have filed suit against the state of Washington and the Department of Natural Resources, in addition to other parties, claiming prior owners and lessors of the former site of a wood-treating company are liable for cleanup of hazardous substances on the property under the State Model Toxics Control Act. Trial is scheduled for February 2005, and significant preparation is required prior to the trial date. This item affects the Legal Services to State Agencies activity. (Legal Services Revolving Account)

Violent Video Games Litigation

In 2003, the Washington State Legislature enacted the violent video game statute, Chapter 365, Laws of 2003, which prohibits the sale or rental of video or computer games to minors where the player causes physical harm to a human form depicted as a law enforcement officer. The Video Software Dealers Association filed a lawsuit in United States District Court challenging the statute as unconstitutional. Defense of the statute will require extensive legal research, briefing, evidence gathering, and working with potential witnesses. Trial, if necessary, is currently scheduled for June 2004. This activity affects the Administrative activity.

Return of Office Relocation Funding

In the 2003-05 biennial budget, the Office of Attorney General received funding for relocating the Torts Division. The relocation will not be achieved in the current biennium; therefore these funds will not be used. This item affects the Investigation and Defense of Tort Lawsuits activity. (Legal Services Revolving Fund)

Licensing Caseload Increases

The Department of Licensing's driver license cases increased 21 percent in Fiscal Year 2002, 35 percent in Fiscal Year 2003, and are continuing to increase. This increase is due to driving under the influence (DUI) implied consent and administrative DUI caseloads, including an increase of cases in the appellate courts. Additional attorney time is necessary to address these cases. This item affects the Legal Services to State Agencies activity. (Legal Services Revolving Account)

Hallett Case

In August 2002, the United States Court of Appeals remanded sections of the Hallett class action lawsuit back to the United States District Court for further litigation. The lawsuit was originally brought forth in 1993 and alleges that officials at the Washington Corrections Center for Women violated the inmates protection against cruel and unusual punishment because of inadequate health care. A settlement was reached in November 2003. Funding is provided to pay legal costs incurred prior to the final settlement. This item affects the Legal Services to State Agencies activity. (Legal Services Revolving Account)

Homicide Investigative Tracking

The Homicide Investigative Tracking System (HITS) activity is the statewide central repository for information relating to violent crimes against persons. It is extensively used by local law enforcement officers to link offenses and offenders across jurisdictions. Data from more than 7,550 murder cases and 7,760 sexual assault cases have been collected by the HITS Unit and used to assist local law enforcement in the investigation of these crimes. The investigators who work in HITS also provide expertise to local and national jurisdictions on homicide and rape investigations. Adding two Attorney General investigators to this unit will increase timely collection of data, training for local jurisdictions, and assistance to law enforcement agencies. (Public Safety and Education Account)

RECOMMENDATION SUMMARIES

Agency 103

Community, Trade, and Economic Development

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	306.4	122,260	274,346	396,606
Supplemental Changes				
Civil Legal Indigent Services *			3,900	3,900
Study of Homelessness		80		80
Military Base Reviews		500		500
Federal Programs Increase			22,734	22,734
Private/Local Programs Increase			4,501	4,501
Developmental Disabilities Endowment Fund			(208)	(208)
Major Economic Development Projects	.4	5,250		5,250
2010 Olympics Support	.7	425		425
Mobile Home Relocation Assistance			300	300
Weatherization Assistance Increase			5,000	5,000
Public Works Loans	1.5		200	200
Subtotal - Supplemental Changes	2.6	6,255	36,427	42,682
Total Proposed Budget	308.9	128,515	310,773	439,288
Difference	2.6	6,255	36,427	42,682
Percent Change	0.8%	5.1%	13.3%	10.8%

Supplemental Changes

Civil Legal Indigent Services *

People with low incomes often cannot seek justice on civil matters because they cannot afford to hire legal counsel. Increased funding to the Civil Indigent Legal Services activity will provide more people with access to legal representation. (Public Safety and Education Account)

Study of Homelessness

Funding is provided to develop a plan to address how the state can best support the efforts of local communities in combating homelessness. The plan will identify the scope of homelessness in Washington State, identify ways to improve coordination between state and local partners in order to substantially reduce homelessness, and recommend ways to remove administrative barriers to effectively addressing homelessness. This one-time funding is provided in the Emergency Shelter Assistance and Grant Program activity.

Military Base Reviews

Funding is provided in the Economic Development activity to support activities of state agencies and local communities related to the 2005 base realignment and closure commission process.

Federal Programs Increase

Congress has continued to increase appropriations for many programs and is anticipated to fund these programs at expanded levels in future federal fiscal years. The Low Income Home Energy Assistance Program (LIHEAP) provides payments to utility companies on behalf of low-income households who cannot afford to pay energy bills. Federal funding for LIHEAP has increased \$6.3 million per year. The Community Development Block Grant Program (CDBG) provides competitive grants to communities for projects including housing development, facility maintenance, infrastructure and economic development, public services and community planning. Federal funding for CDBG has increased \$173,000 per year. The Services-Training-Officers-Prosecutors (STOP) Grant, within the federal Violence Against Women Act, provides funds and technical assistance to local law enforcement, prosecutors, and victim services to improve the criminal justice system's response to violence against women. Federal funding for STOP has increased \$604,000 in each year. The HOME Program distributes funds for tenant-based rental assistance, first-time homebuyers, new construction, acquisition, and home repair and rehabilitation activities. Federal funding for HOME has increased \$2 million in each year. CTED has also received six competitive special projects awards under the State Energy Program grant program for the Puget Sound Clean Cities Coalition; the Washington Industries of the Future project, assessing and ensuring compliance with the Washington Energy Code; a Rebuild America project to improve schools and public housing; Regional Combined Cooling, Heating, and Power Application Centers; and a Fuel Cell Public Education and Technology Promotion project. Federal funding for these projects has increased \$1.7 million for the biennium. This item affects various activities. (General Fund-Federal)

Private/Local Programs Increase

The Department of Community, Trade, and Economic Development (CTED) has received increased funding from private and local sources. The Pierce County Alliance of Tacoma increased its contract with CTED by \$267,000 to fund the local methamphetamine initiatives through the Community Mobilization Program, a statewide substance abuse and violence prevention program. Sound Transit Authority awarded \$75,000 to survey historic properties that may be impacted by the development of the mass transportation plan for King County. The Bond Cap Allocation Program requires an additional \$108,000 to administer the program, which is increasing at a rate of \$5 to 6 million each year. The Economic Development Training and Education Program provides comprehensive professional development to communities, and its funding is increased by \$550,000. Through an agreement with the Bonneville Power Administration and Energy Northwest, the Energy Facility Siting Evaluation Council (EFSEC) has an award to conduct off-site mitigation, the estimated cost of which is \$3.5 million. Of these projects, the Pierce County Alliance, Sound Transit Authority, and EFSEC are one-time costs. This item affects various activities. (General Fund-Private/Local)

Developmental Disabilities Endowment Fund

The Developmental Disabilities Endowment Fund activity offers a special needs trust to people with developmental disabilities to enhance the quality of their lives. Appropriations for the 2003-05 Biennium were based on anticipated fees of \$600,000 to be paid by trust enrollees. This initial estimate assumed 165 enrollments in Fiscal Year 2004 and 227 in Fiscal Year 2005. Enrollments are below estimated numbers. As a result, fee income is now estimated to be \$145,000, which is insufficient to support the program. An appropriation is provided from the Developmental Disabilities Endowment Trust Account to fund the minimum necessary administrative support for the program, and the appropriation from the Community and Economic Development Fee Account is decreased in accordance with the reduced amount of collected fees. This is a one-time cost to the Trust Account, as it is anticipated that fees will be sufficient in the 2005-07 Biennium to support the program. (Developmental Disabilities Endowment Trust Account, Community and Economic Development Fee Account)

Major Economic Development Projects

One-time funds are provided to the Department of Community, Trade, and Economic Development's Business Development activity to support major economic development projects.

RECOMMENDATION SUMMARIES

2010 Olympics Support

The 2010 Winter Olympic Games in Vancouver, British Columbia present a unique opportunity in Washington State for business, marketing, and tourism. Transportation and security linkages, cross border immigration and customs issues, international trade and tourism, and business development are only a few areas requiring planning and coordination for our businesses and communities to benefit from this event. As part of the Business Development activity, the Department of Community, Trade, and Economic Development (CTED) will develop, coordinate, and implement a statewide strategic plan focused on meeting the needs of our communities and industries. Vancouver, British Columbia has budgeted \$7 billion to prepare for the games. If Washington businesses are successful bidders in only 5 percent of the preparation contracts, this could result in revenue of \$350 million for our businesses over the next six years, and potentially create 525 jobs in each year. CTED will submit a six-year business plan for this activity to the Governor and the Legislature by September 1, 2004.

Mobile Home Relocation Assistance

In September 2003, the Department of Community, Trade, and Economic Development (CTED) received a request to relocate all privately owned mobile homes in two mobile home parks, which will dislocate approximately 60 families. The current appropriation does not provide sufficient authority to relocate these parks and assist the original number of families projected in the 2003-05 biennial budget. This is a one-time cost and affects the Mobile Home Relocation Assistance activity. (Mobile Home Park Relocation Account)

Weatherization Assistance Increase

The Low-Income Weatherization Assistance activity improves the energy efficiency and affordability of low-income housing through energy conservation measures in homes, and includes insulation, air sealing, space and water heating system modification, and energy conservation education. Puget Sound Energy has committed \$2 million per year for increasing this program over the next several years. (Low-Income Weatherization Assistance Account)

Public Works Loans

The Public Works Board activity makes loans to local governments for infrastructure improvements, and currently has 1,300 contracts in the program's loan portfolio. The Board anticipates making 250 loans and committing over \$300 million in financing this biennium. Funding is provided for staff to support the increased number of projects, to conduct a comprehensive assessment of the program, and to design a new financing database system that will replace a six-year-old contract management system. (Public Works Assistance Account)

Agency 105

Office of Financial Management

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	250.8	25,045	50,273	75,318
Supplemental Changes				
Commercial Insurance			17,000	17,000
Sustainability Indicators		250		250
Permit Assistance Integration				
Citizen Corps Transfer	1.0		424	424
Subtotal - Supplemental Changes	1.0	250	17,424	17,674
Total Proposed Budget	251.8	25,295	67,697	92,992
Difference	1.0	250	17,424	17,674
Percent Change	0.4%	1.0%	34.7%	23.5%

Supplemental Changes

Commercial Insurance

In the past, commercial insurance premiums were paid from a non-appropriated, non-budgeted account. When the Office of Risk Management transferred into the Office of Financial Management, a new Risk Management Account was created for the Risk Management activity, and commercial insurance premiums are paid from this new account. The new account is a non-appropriated, budgeted account. At the time the original 2003-05 budget was developed, costs of commercial insurance premiums were not included; this technical correction adjusts the budgeted amount to include the premiums. (Risk Management Account)

Sustainability Indicators

As Washington's population climbs past six million, tracking trends in the qualities we value in our communities, economy and environment becomes increasingly critical. The Governor's Sustainable Washington Advisory Panel has recommended that a set of sustainability indicators be developed to track the state's progress in meeting sustainability goals. One-time funding is provided to the Statewide Economic and Revenue Forecasts, Fiscal Planning and Research activity for an outside contractor to develop a comprehensive and interrelated set of indicators that will provide feedback on the conditions in our state relative to long-term sustainability goals of healthy families, robust ecosystems, engaged public, strong economy, and vibrant communities.

Permit Assistance Integration

The 2003-05 budget included funds for the Office of Financial Management (OFM) Permit Assistance Center to implement 2SSB 5694, which requires the establishment of an integrated environmental permit system through an economically significant pilot project. To date, no projects have met the criteria for this pilot. Funding is transferred to Fiscal Year 2005 in order to be available once a project is selected.

RECOMMENDATION SUMMARIES

Citizen Corps Transfer

Citizen Corps and the Community Emergency Response Team (CERT) are federal initiatives to provide communities with the skills to respond to a terrorist attack or natural disaster for the first 48 to 72 hours after the event. In the initial 2003-05 biennial budget, the Washington State Military Department was expected to receive the federal award. Instead, the Washington Commission for National and Community Services activity, within the Office of Financial Management, will receive federal funds directly from the Federal Emergency Management Administration in Federal Fiscal Year 2004. This is a transfer of federal expenditure authority between agencies. Future Citizen Corps and CERT awards will be to the Military Department. (General Fund-Federal)

*Agency 110***Office of Administrative Hearings****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	144.0		24,669	24,669
Supplemental Changes				
Increase In Baseline Workload	9.4		1,960	1,960
Convert Contract Temporary Employees	10.0		102	102
Education Appeals Caseload Increase	1.5		285	285
Increased Unemployment Insurance Appeals	8.8		1,740	1,740
Increased DSHS Caseload	.8		140	140
Subtotal - Supplemental Changes	30.4		4,227	4,227
Total Proposed Budget	174.4		28,896	28,896
Difference	30.4		4,227	4,227
Percent Change	21.1%		17.1%	17.1%

Supplemental Changes**Increase In Baseline Workload**

Funding is provided for the agency to catch up with the current backlog of 1,100 unscheduled unemployment insurance hearings, prevent future backlogs, and meet federally-mandated timeliness guidelines. (Administrative Hearings Revolving Account).

Convert Contract Temporary Employees

Ten full-time contract temporary employees are replaced with ten full-time classified staff to improve work quality, efficiency, and effectiveness. (Administrative Hearings Revolving Account)

Education Appeals Caseload Increase

Funding is provided to respond to caseload increases in education appeals through the Office of Superintendent of Public Instruction, and to meet federally-mandated timelines for issuing special education decisions. (Administrative Hearings Revolving Account)

Increased Unemployment Insurance Appeals

It is projected that there will be an increase of approximately 7,000 new unemployment insurance cases each year as a result of Chapter 4, Laws of 2003, which made revisions to the unemployment compensation system. (Administrative Hearings Revolving Account)

Increased DSHS Caseload

The department is projected to have an increase of approximately 140 new cases and 100 new decisions resulting from an increased Department of Social and Health Services caseload in Fiscal Year 2004. (Administrative Hearings Revolving Account)

RECOMMENDATION SUMMARIES

Agency 130

Public Printer

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority				
Supplemental Changes				
Establish Agency as Budgeted	133.0		66,000	66,000
Subtotal - Supplemental Changes	133.0		66,000	66,000
Total Proposed Budget	133.0		66,000	66,000
Difference	133.0		66,000	66,000
Percent Change	100.0%		100.0%	100.0%

Supplemental Changes

Establish Agency as Budgeted

At the beginning of the 2003-05 Biennium, the nonappropriated Printing Plant Revolving Account was changed from nonallotted to allotted status. This supplemental budget item reflects a technical change to place existing dollars and FTEs in the budget database. No new staff or funding are involved, and the account remains nonappropriated.

(Printing Plant Revolving Account)

Agency 150

Department of General Administration

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	556.9	468	128,777	129,245
Supplemental Changes				
Other Fund Adjustments				
Federal Funding Adjustment			650	650
Nonappropriated Fund Adjustment	1.9		1,226	1,226
Capital Projects Operating Costs			510	510
Subtotal - Supplemental Changes	1.9		2,386	2,386
Total Proposed Budget	558.8	468	131,163	131,631
Difference	1.9		2,386	2,386
Percent Change	0.3%	0.0%	1.9%	1.8%

Supplemental Changes

Other Fund Adjustments

The Distribution of Surplus Food and Property activity provides food commodities, as well as administrative dollars, to operate local food banks and soup kitchens. This technical correction adjusts state General Fund expenditure authority from Fiscal Year 2005 to Fiscal Year 2004.

Federal Funding Adjustment

The Distribution of Surplus Food and Property activity will receive additional federal grant funds. The additional funds will be spent on food shipping/warehousing expenses and provide pass-through dollars to local food banks. (General Fund-Federal)

Nonappropriated Fund Adjustment

The Energy Performance Contracting activity has experienced increased demand for energy services in the area of sustainable design and green buildings programs. Energy engineer staff will be hired to undertake energy life cycle cost analyses, energy audits, and other energy efficiency projects. These projects are anticipated to save 17.5 million kilowatts annually, which represents \$700,000 in annual energy savings. (General Administration Services Account-Nonappropriated)

Capital Projects Operating Costs

New security systems, funded in the enacted 2003-2005 Capital Budget, will be installed in the Legislative Building during renovation. These systems include screening stations with metal detectors and x-ray machines, security cameras, alarms, and card readers. Funds are provided for operation and maintenance of this equipment, beginning in January 2005. Agency activities affected by these systems include: Building Access, Building Systems Support, and Utilities/Fixed Price Contracting. (General Administration Services Account)

RECOMMENDATION SUMMARIES

Agency 155

Department of Information Services

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	429.5	2,000	205,447	207,447
Supplemental Changes				
Small Agency Information Technology			500	500
Digital Learning		1,000		1,000
Subtotal - Supplemental Changes		1,000	500	1,500
Total Proposed Budget	429.5	3,000	205,947	208,947
Difference		1,000	500	1,500
Percent Change	0.0%	50.0%	0.2%	0.7%

Supplemental Changes

Small Agency Information Technology

During the 2001-03 Biennium, the Small Agency Initiative, a partnership between the Department of Information Services (DIS), Department of General Administration, and the Office of Financial Management, consolidated the information technology (IT) services for eight small agencies. This was achieved by co-locating facilities with other agencies. Additionally, \$630,000 was provided for IT infrastructure-related equipment for sixteen small agencies, thereby enhancing their overall service provision capabilities. The Initiative received the Governor's award for customer service in May 2003.

In the 2003-05 Biennium, the Small Agency Initiative will continue its work to address the IT technical, security, and facility requirements of small agencies and solve these requirements through the following strategies: IT technical/security and facility assessments; critical IT infrastructure equipment acquisition; and resource-sharing of IT infrastructure through co-location with larger agencies or migration to DIS centralized e-mail and server hosting services. These strategies will ultimately result in a more secure and functional information technology and facility environment for small agencies. The funding for all strategies will be developed and approved by the Small Agency Initiative. This item affects the Administration activity. (Data Processing Revolving Account-Nonappropriated)

Digital Learning

The Digital Learning Commons is a nonprofit corporation that provides a web-based portal where students, parents, and teachers have access to resources, learning tools, and on-line classes. In its first year of operation, the Digital Learning Commons is providing services to 5,000 students and 500 teachers in 17 schools. Funding is provided to expand the pilot project in the 2004-05 school year to serve 20,000 students and 2,000 teachers. The expansion also will provide additional resources for parents and increase parent participation in the second year of the project. This item affects the Digital Learning activity.

*Agency 160***Office of Insurance Commissioner****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	197.3		32,938	32,938
Supplemental Changes				
Compliance/Enforcement Program	.8		139	139
Economic Analysis	.5		94	94
HP 3000 Computer Replacement	.7		469	469
Subtotal - Supplemental Changes	1.9		702	702
Total Proposed Budget	199.2		33,640	33,640
Difference	1.9		702	702
Percent Change	1.0%		2.1%	2.1%

Supplemental Changes**Compliance/Enforcement Program**

Funding is provided to the Office of Insurance Commissioner's Legal Affairs Division to address its enforcement caseload, which has increased significantly over the past 18 months. This item affects the Policy and Enforcement activity. (Insurance Commissioner's Regulatory Account-State)

Economic Analysis

Increased expenditure authority is granted to provide the specialized expertise necessary to conduct economic impact analysis within the Policy and Enforcement activity. The agency requires these resources to meet the demand caused by substantive changes in rules affecting the Office of Insurance Commissioner, and an increased number of rules due for review. (Insurance Commissioner's Regulatory Account-State)

HP 3000 Computer Replacement

Funding is approved to replace the Office of Insurance Commissioner's Hewlett Packard 3000 mainframe computer which will no longer be supported by the manufacturer, effective December 2006. This item affects the Agency Administration activity. (Insurance Commissioner's Regulatory Account-State)

RECOMMENDATION SUMMARIES

Agency 195

Liquor Control Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	961.0	2,909	156,699	159,608
Supplemental Changes				
Workers' Compensation Changes			283	283
Equipment Replacement Costs			793	793
Subtotal - Supplemental Changes			1,076	1,076
Total Proposed Budget	961.0	2,909	157,775	160,684
Difference			1,076	1,076
Percent Change	0.0%	0.0%	0.7%	0.7%

Supplemental Changes

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase to agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004, and will impact all agency activities that employ staff. (Liquor Revolving Account)

Equipment Replacement Costs

The State Liquor Store Operations activity is responsible for the operation of 161 state liquor stores that generate taxes and profits that are distributed to state and local governments. Installing security cameras in the liquor stores will help safeguard store employees and customers by deterring armed robberies, reducing shoplifting, and providing evidence when crimes occur. (Liquor Revolving Fund)

Agency 215

Utilities and Transportation Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	153.4		29,774	29,774
Supplemental Changes				
Certification of Transportation Companies #			(4)	(4)
Additional Workload-Qwest Performance				
Assurance Plan	1.8		625	625
Pension Rate Changes			101	101
Subtotal - Supplemental Changes	1.8		722	722
Total Proposed Budget	155.1		30,496	30,496
Difference	1.8		722	722
Percent Change	1.1%		2.4%	2.4%

Supplemental Changes

Certification of Transportation Companies

Legislation is proposed for the 2004 session that would allow the Commission to take action to change a company's certification of service without a public hearing if the company involved is already in agreement with the action and/or has no objection. This proposal should generate savings in the Transportation Companies Licensing, Regulation, and Safety activity. (Public Service Revolving Account).

Additional Workload-Qwest Performance Assurance Plan

Funding is provided for the additional workload created by the Federal Communications Commission's (FCC) requirements for performance standards and elimination of market entry barriers for residential and business customers. FCC requirements of Qwest have made funds available to the Utilities and Transportation Commission to meet these obligations. This item relates to the Telecommunications Companies Licensing and Regulation activity. (Public Service Revolving Account)

Pension Rate Changes

A technical correction is made to the pension rate calculation for the agency. This correction affects all activities with staff. (Public Service Revolving Account).

RECOMMENDATION SUMMARIES

Agency 245

Military Department

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	264.5	16,709	168,753	185,462
Supplemental Changes				
October 2003 Floods	11.5		22,000	22,000
Search and Rescue Reimbursements		90		90
Other Utility Changes		31	142	173
Nisqually Earthquake Funding			15,639	15,639
Federal Fiscal Year 2002 Awards			1,862	1,862
Citizen Corps Transfer			(500)	(500)
Technical Corrections		(30)		(30)
Utility Rate Adjustments		44	102	146
Federal Funding Adjustment	2.3		5,920	5,920
Emergency Management Performance Grant		200	2,513	2,713
Homeland Security	2.5		60,800	60,800
National Guard Fire Fighting Training			197	197
Subtotal - Supplemental Changes	16.3	335	108,675	109,010
Total Proposed Budget	280.8	17,044	277,428	294,472
Difference	16.3	335	108,675	109,010
Percent Change	6.1%	2.0%	64.4%	58.8%

Supplemental Changes

October 2003 Floods

Funding is provided for response and recovery efforts by state agencies and the Federal Emergency Management Agency (FEMA) for the October 2003 floods. The Washington State Military Department shall provide half of the required state match for local FEMA Public Assistance projects, and all of the state match for state agency projects. This funding affects the Disaster Recovery activity. (Disaster Response Account)

Search and Rescue Reimbursements

Under the Emergency Worker Program, the Washington State Military Department provides protection and cost reimbursement for volunteers supporting emergency management activities, including search and rescue. Routine claims, generally ranging from \$25 to \$1,500, include such items as fuel reimbursement, damaged or lost personal property, and medical expenses. In November 2003, the Department received three extraordinary claims for reimbursement of loss: 1) eye surgery to preserve sight; 2) hospital and medical costs; and 3) a plane crash and funeral expenses. One-time funding is provided in the Program Management activity to pay these claims.

Other Utility Changes

As of September 2003, at the direction of the federal Department of Defense, facilities located at Fairchild Air Force Base converted from steam heat provided by the base to commercially purchased gas heat. The Washington Air National Guard facilities located on the base are incurring increased costs due to the conversion. This item affects the Facilities Operations and Maintenance activity. (General Fund-State, General Fund-Federal)

Nisqually Earthquake Funding

As the result of an accelerated project monitoring process, many more Nisqually Earthquake FEMA Public Assistance projects are expected to be completed during the 2003-05 Biennium than originally anticipated. This item affects the Nisqually Earthquake Recovery activity. (Nisqually Earthquake Account)

Federal Fiscal Year 2002 Awards

Unspent federal funding from Federal Fiscal Year 2002 is available to enhance mitigation, preparedness, response, and recovery capabilities against terrorist attacks. The Washington State Military Department has a one-time provision to expend these awards. Seventy-five percent of these funds are provided to local jurisdictions. The remaining amount supports analysis, planning, training, exercises, support of the Committee on Terrorism, Citizen Corps, and Community Emergency Response Team grants in the following activities: Emergency Management Exercise and Training, Program Management and Support to Local Jurisdictions, Emergency Management Analysis and Plans, Public Education, Public Information and Executive Management and Administration. (General Fund-Federal)

Citizen Corps Transfer

Citizen Corps and the Community Emergency Response Team (CERT) are federal initiatives to prepare communities with the skills to respond to a terrorist attack or natural disaster for the first 48 to 72 hours after the event. In the initial 2003-05 biennial budget, the Washington State Military Department was expected to receive the federal award. Instead, the Washington Commission for National and Community Service within the Office of Financial Management will receive federal funds directly from the Federal Emergency Management Agency in Federal Fiscal Year 2003. This is a transfer of federal expenditure authority between agencies. Future Citizen Corps and CERT awards will be to the Military Department. This transfer affects the Homeland Security activity. (General Fund-Federal)

Technical Corrections

The Military Department received \$30,000 in Fiscal Year 2004 for a state active duty medical claim. The injured soldier completed his medical care prior to the start of Fiscal Year 2004 and is now on Federal Active Duty status with his Army National Guard unit in support of Operation Iraqi Freedom. Funding for medical care and time loss payments in the State Active Duty activity is no longer necessary.

Utility Rate Adjustments

The Washington Utilities and Transportation Commission granted utility rate increases for the following companies: Avista Corporation received a rate increase of 12.17 percent effective September 11, 2003; Puget Sound Energy received a rate increase of 14 percent effective October 1, 2003; and Northwest Natural Gas Company received a rate increase of 17.6 percent effective October 1, 2003. Without funding to pay for these increased utilities costs, regular and preventative maintenance that is part of the Facilities Operations and Maintenance activity would not be performed on buildings owned by the state. The lack of maintenance could render these facilities unsuitable for current uses. (General Fund-State, General Fund-Federal)

Federal Funding Adjustment

Federal funding is provided to the Capital Management Division and the Chemical Stockpile Emergency Preparedness Program (CSEPP).

The Capital Management Division received funding for a Geographic Information System (GIS) initiative at the end of the last federal fiscal year. To meet program requirements, federally authorized staff were hired through a personal service contract. Full-time equivalent staff are provided in order that state staff can be hired instead of contracting for these services. This change will save \$62,000 in the Facilities Operations and Maintenance, Facility Planning, Design, and Construction and the Environmental Management activities.

CSEPP, in the Emergency Management Division, received federal funding to continue emergency response planning and preparation related to the elimination of unitary chemical munitions. This funding affects the Program Management and Support to Local Jurisdictions, Emergency Management Exercises and Training, Information Technology and Telecommunications, Public Education, and Public Information activities. (General Fund-Federal)

RECOMMENDATION SUMMARIES

Emergency Management Performance Grant

The Emergency Management Division assists in the development, maintenance, and improvement of state and local emergency management capabilities. The Military Department anticipates receiving an additional \$1.4 million in Federal Fiscal Years 2004 and 2005. Of this amount, \$1.2 million will be passed through to local jurisdictions. The remaining federal funds, and the required state match, will be used for services provided under the Emergency Management Exercise and Training, Program Management and Support to Local Jurisdictions, Emergency Management Analysis and Plans, and Public Education activities. (General Fund-State, General Fund-Federal)

Homeland Security

Congress has enacted Federal Fiscal Year 2004 budgets that include Homeland Security activity funding for the Washington Military Department in the following areas. State Homeland Security Grant funds of \$33.6 million that can be used for equipment, exercises, training and planning. Funding of \$16.5 million for the Urban Area Security Initiative (UASI). Law Enforcement Terrorism Prevention funds in the amount of \$10 million that can be used for information sharing, reducing vulnerability of potential targets, threat recognition, intervention activities, and interoperable communications. Funding of \$700,000 to the Citizen Corps and Community Emergency Response Team (CERT) to fund federal initiatives to provide communities with the skills to respond to a terrorist attack or natural disaster for the first 48 to 72 hours after the event. (General Fund-Federal)

National Guard Fire Fighting Training

The Washington State Military Department will provide 250 Washington National Guard members with wildland firefighter level II training. Without planned training prior to active fires, deployment of Guard members for fire fighting duty will be delayed by four days while members receive the necessary training. Funding is provided as a proactive measure to ensure adequately trained Guard members are available when needed under the State Active Duty and Disaster Response and Recovery activities. (Disaster Response Account)

*Agency 341***Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority				
Supplemental Changes				
Establish Agency Base	1.8		889	889
Subtotal - Supplemental Changes	1.8		889	889
Total Proposed Budget	1.8		889	889
Difference	1.8		889	889
Percent Change	100.0%		100.0%	100.0%

Supplemental Changes**Establish Agency Base**

The Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) Board was established by Initiative 790 in 2002. The Board was effective at the beginning of the 2003-05 Biennium. This item represents preliminary costs for the initial activities of the new Board. (Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Expense Account-Nonappropriated)

RECOMMENDATION SUMMARIES

Agency 300

Department of Social and Health Services

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	17,752.6	6,605,069	9,235,200	15,840,269
Supplemental Changes				
Mandatory Caseload Changes		(40,814)	(129,242)	(170,056)
Durable Medical Equipment Forecast Change		12,579	12,134	24,713
Youthful Offender Program	4.5	480		480
Fund Shifts				
Fund Shifts Forecast Change		(6,363)	6,364	1
Acute Psychiatric and Residential Services				
Capacity		100		100
Nursing Home Rate Re-Projection		(11,322)	(11,322)	(22,644)
Public Hospital Disproportionate Share Swap			54,528	54,528
Public Hospital District Disproportionate Share			73,418	73,418
Utility Rate Adjustments		240	278	518
Other Rate Adjustments		49		49
Workers' Compensation Changes		2,161	876	3,037
Mandatory Caseload Adjustments		31,752	20,240	51,992
Mandatory Workload Adjustments	23.2	945	1,475	2,420
Federal Funding Adjustment			37,090	37,090
FMAP Match Adjustment		(108,676)	108,928	252
Transfers				
Townsend Settlement Funding		1,696	1,696	3,392
Belated 2003 FMAP Payments			20,232	20,232
Federal Title IV-E Funding Revision		642	(642)	
Increased Office of Administrative Hearings				
Caseload		80	60	140
Distribution of Child Support #	.2	(423)	(411)	(834)
Mental Health Needs		220		220
Enhanced Local Match Options			6,768	6,768
Secure Community Transition Facility Workload				
Changes	(9.0)	(610)		(610)
State Supplemental Payments		38,607		38,607
Community Protection Placements		2,056	1,926	3,982
Forecast Cost and Utilization		(4,847)	(8,749)	(13,596)
Adult Protective Services Fair Hearings	12.3	1,829	1,198	3,027
Increased Cost for Electronic Benefit Transfer		1,326	1,165	2,491
Child Support For Developmentally Delayed				
Children #	1.0	(96)	22	(74)
Medicaid Management Information System				
Replacement	7.5	138	1,247	1,385
Special Commitment Center New Facility and				
Workload	4.8	4,128		4,128
Prior Authorization Contract		1,710	1,014	2,724
Buy Down Premiums for Children			47,037	47,037
Governor's Rural Health Initiative			20,000	20,000
Transfer Funds Between Years				
Additional Federal Authority		(58)	3,058	3,000
Consolidation of all Human Resource Positions				

RECOMMENDATION SUMMARIES

	Annual FTEs	General Fund State	Other Funds	Total Funds
Washington State Mentoring Partnership		250		250
Revolving Fund - Carry Forward Level Error		568	256	824
Attorney General - Revolving Fund Shortfall		1,258	415	1,673
State Drug Pricing Program	9.6	(5,024)	(5,195)	(10,219)
HIPAA Funding Revisions		306	311	617
ProShare Correction			(56,580)	(56,580)
FTEs for Social Security Claims Processing	16.0	119	2,271	2,390
SCHIP Match		(232)	232	
Washington Medicaid Integration Project				
Savings Reduction		4,759	5,054	9,813
Admatch Funding	6.0	4,029	2,000	6,029
Trauma			(9,200)	(9,200)
Patient Transportation #		(120)	(120)	(240)
Child Study and Treatment Center Patient Care	6.0	331	354	685
Staff Training Requirement	7.4	1,331	357	1,688
Involuntary Treatment Act Ancillary Costs		3,781	1,849	5,630
Incapacity Exams		1,236	253	1,489
Children Aging Out of Other Service		2,172	296	2,468
Cost of Boarding Home Rule Implementation		126	128	254
Community Residential Workload		287	250	537
Boarding Home Licensing Fee	.7		106	106
Legal Fees		1,780		1,780
Secure Commitment Transition Facility				
Mitigation-King County		99		99
Western State Hospital Operations	8.0	774	85	859
Estate Adjudication Provisions #		(250)	(250)	(500)
Comprehensive Assessment Tool	3.5	1,241	1,258	2,499
Home and Community Services		1,661	1,826	3,487
Funding for Waiver Services		3,224	3,367	6,591
Subtotal - Supplemental Changes	101.7	(48,765)	219,711	170,946
Total Proposed Budget	17,854.2	6,556,304	9,454,911	16,011,215
Difference	101.7	(48,765)	219,711	170,946
Percent Change	0.6%	(0.7)%	2.4%	1.1%

RECOMMENDATION SUMMARIES

Program 010

DSHS - Children's Administration

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	2,374.9	464,034	446,003	910,037
Supplemental Changes				
Workers' Compensation Changes		293	127	420
FMAP Match Adjustment		(2,199)	2,199	
Transfers	(7.5)	(112)	(6,694)	(6,806)
Federal Title IV-E Funding Revision		642	(642)	
Child Support For Developmentally Delayed Children #		(132)	(50)	(182)
Transfer Funds Between Years				
Consolidation of all Human Resource Positions	(3.7)	(145)	(247)	(392)
Subtotal - Supplemental Changes	(11.2)	(1,653)	(5,307)	(6,960)
Total Proposed Budget	2,363.8	462,381	440,696	903,077
Difference	(11.2)	(1,653)	(5,307)	(6,960)
Percent Change	(0.5)%	(0.4)%	(1.2)%	(0.8)%

Supplemental Changes

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

FMAP Match Adjustment

This item reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services that occur in the Family Foster Home activity and other activities. Congress recently adopted Public Law 108-27 that affects the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Program Support Activity, where the services are utilized. In addition, this item transfers the Family Policy Council to the Administrative Services budget. (General Fund-State, General Fund-Federal, Public Safety and Education Account-State, and Violence Reduction and Education Account-State)

Federal Title IV-E Funding Revision

The current 2003-05 budget projects an additional \$40 million of federal Title IV-E revenue due to increased reimbursement for the number of eligible children receiving state foster care and adoption support. This target has not been met in the first three months of this biennium. The supplemental budget adjusts for the first quarter's experience, and then continues the higher trend assumed in the original budget. This revision primarily affects the Family Foster Home activity of Children's Administration. (General Fund-State, General Fund-Federal)

Child Support For Developmentally Delayed Children #

State law requires all parents to pay child support when their child resides out of the family home. The only exception is parents of developmentally delayed children. The department maintains that, as a matter of equity, those families should also be required to support their children living in foster care or other out of home settings. This item reflects expenditures in the Family Foster Home and Behavioral Rehabilitative Services activities related to the agency request bill that would allow the Division of Child Support (DCS) to collect child support for some, but not all, developmentally delayed children in foster care. (General Fund-State, General Fund-Federal)

Transfer Funds Between Years

A technical error that occurred in the 2003-05 biennial budget is corrected by transferring funds between fiscal years.

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 020

DSHS - Juvenile Rehabilitation

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,131.4	146,792	58,159	204,951
Supplemental Changes				
Youthful Offender Program	4.5	480		480
Utility Rate Adjustments			196	196
Other Rate Adjustments		49		49
Workers' Compensation Changes		153		153
Mandatory Workload Adjustments	11.4		603	603
Federal Funding Adjustment				
FMAP Match Adjustment		(186)	186	
Transfers	(4.0)	(2,197)	(5,490)	(7,687)
Mental Health Needs		220		220
Consolidation of all Human Resource Positions	(1.7)	(220)		(220)
Subtotal - Supplemental Changes	10.2	(1,701)	(4,505)	(6,206)
Total Proposed Budget	1,141.6	145,091	53,654	198,745
Difference	10.2	(1,701)	(4,505)	(6,206)
Percent Change	0.9%	(1.2)%	(7.7)%	(3.0)%

Supplemental Changes

Youthful Offender Program

A 1997 law requires prosecution and sentencing of some juvenile offenders as adults, but does not require them to serve their sentences in adult prisons. The Department of Corrections (DOC) has transferred some of these youthful offenders to facilities managed by the Department of Social and Health Services Juvenile Rehabilitation Administration (JRA) under existing authority. This item transfers the remaining youthful offenders, average daily population of 24, to JRA facilities, affecting the Institutional Services for State Committed Juvenile Offenders activity. The transfer allows the state to utilize capacity that has become available within the JRA system due to declining at-risk populations, and provides DOC access to more maximum security level beds.

This transfer will be effective September 2004 to align with the 2004-05 school year. Youthful offenders transferred to JRA will remain under the jurisdiction of DOC while serving part of their sentences at JRA. This transfer will not change their sentences or time spent in total confinement.

Utility Rate Adjustments

Utility rates included in both the Institutional Services for State Committed Juvenile Offenders activity and Community Facility Transitional Services for State Committed Juvenile Offenders activity have increased. Funding is provided for utility rate increases for water, sewer, garbage, electricity, and natural gas, based on data that was not available when the 2003-05 Operating Budget was submitted. (Violence Reduction and Drug Enforcement Account-State)

Other Rate Adjustments

New rate increases have been imposed relating to fire service protection and emergency medical services. These additional funds will affect the Institutional Services for State Committed Juvenile Offenders activity.

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase to agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004.

Mandatory Workload Adjustments

Funding is adjusted to correspond with projected population changes based on the November 2004 forecast adopted by the Caseload Forecast Council. The Juvenile Rehabilitation Administration's (JRA) juvenile offender population is forecasted to be 19 beds lower than budgeted in Fiscal Year 2005. Although the overall residential bed forecast decreases, there is a need to reduce beds within the Community Facility Transitional Services for State Committed Juvenile Offenders activity and increase beds in the Institutional Services for State Committed Juvenile Offenders activity. This is consistent with the intent of Chapter 378, Laws of 2003, which provided that lower-risk youth would be served at the local level and the state would continue to provide institutional programs for higher-risk youth. Adjustments also reflect projected changes in parole, diagnostics, and additional medical costs. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account-State)

Federal Funding Adjustment

Funding for the Juvenile Accountability Incentive Block Grant (JAIBG) has been removed from the proposed federal budget for Federal Fiscal Year 2004. A portion of this grant provides for the general operation and maintenance of the Client Activity Tracking System (CATS) within the Juvenile Rehabilitation Administration activity. This transfer provides continuation of the juvenile offender management system. (Violence Reduction and Drug Enforcement Account-State, Juvenile Accountability Incentive Block Grant Fund-Federal)

FMAP Match Adjustment

This item reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services. Congress recently adopted Public Law 108-27 that affects the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. All Medicaid program activities are affected by this adjustment. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Juvenile Rehabilitation Administration activity, where the service occurs. In addition, this item transfers the Governor's Juvenile Justice Advisory Committee from the program's Preventative Services for Juveniles activity into the department's Administrative Services budget. (General Fund-State, General Fund-Federal)

Mental Health Needs

This item will provide the department with the necessary funds for initial psychiatric evaluations and monthly medication monitoring. Offenders within the Institutional Services for State Committed Juvenile Offenders activity currently have been on waiting lists for over a month to receive a psychiatric evaluation, which is imperative to providing the appropriate mental health and medical services.

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 030

DSHS - Mental Health

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	3,077.7	674,685	554,961	1,229,646
Supplemental Changes				
Acute Psychiatric and Residential Services Capacity		100		100
Utility Rate Adjustments		240	82	322
Workers' Compensation Changes		382	156	538
Mandatory Caseload Adjustments		30	(12)	18
FMAP Match Adjustment		(8,111)	8,111	
Transfers		200	32	232
Enhanced Local Match Options			6,768	6,768
Secure Community Transition Facility Workload Changes	(9.0)	(610)		(610)
Special Commitment Center New Facility and Workload	4.8	4,128		4,128
Consolidation of all Human Resource Positions	(10.5)	(1,228)	(94)	(1,322)
Child Study and Treatment Center Patient Care	6.0	331	354	685
Staff Training Requirement	7.4	1,331	357	1,688
Involuntary Treatment Act Ancillary Costs		3,781	1,849	5,630
Legal Fees		1,780		1,780
Secure Commitment Transition Facility Mitigation-King County		99		99
Western State Hospital Operations	8.0	774	85	859
Subtotal - Supplemental Changes	6.7	3,227	17,688	20,915
Total Proposed Budget	3,084.4	677,912	572,649	1,250,561
Difference	6.7	3,227	17,688	20,915
Percent Change	0.2%	0.5%	3.2%	1.7%

Supplemental Changes

Acute Psychiatric and Residential Services Capacity

A needs assessment for adult inpatient and behavioral health services was recently conducted. The assessment identified an insufficient capacity for evaluation and acute treatment care beds. Funding is necessary to determine specific community health needs, optimum statewide treatment locations, and to evaluate facility options that include operation and staffing costs. This item affects the Mental Health Facility Services activity.

Utility Rate Adjustments

Utility rates included in the Mental Health Facility Services activity have increased. Funding is provided for utility rate increases for water, sewer, garbage, electricity, and natural gas, based on data that was not available when the 2003-05 Operating Budget was submitted. (General Fund-State, General Fund-Federal, General Fund-Private/Local).

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase to agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

This item reflects the impact of changes in the Medicaid caseload forecast for Fiscal Years 2004 and 2005. The Medicaid-eligible caseload is the basis for funding levels to the Regional Support Networks (RSNs) within the Other Community Mental Health Services activity. The caseload adjustments are based upon the Caseload Forecast Council's November 2003 forecast. (General Fund-State, General Fund-Federal)

FMAP Match Adjustment

This item reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services. Congress recently adopted Public Law 108-27 that impacts the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. All Medicaid program activities are affected by this adjustment. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Mental Health Program Support activity, where the services are utilized. (General Fund-State, General Fund-Federal)

Enhanced Local Match Options

Regional Support Networks (RSNs) may use local funds to increase the amount of federal Medicaid funding available for the Community Mental Health Prepaid Health Services activity. This item updates the federal funding authority to match the additional local funds reported by the RSNs. (General Fund-Federal)

Secure Community Transition Facility Workload Changes

This item reflects an update to the estimated change for the Pierce County Secure Community Transition Facility (SCTF) and King County SCTF. It also adjusts funding for the King County SCTF to reflect its delayed opening. The department expects that the first two residents for the King County facility will arrive in late 2004. The department will lease the facility beginning November 15, 2003, and will make the necessary site improvements. This item is a component of the Civil Commitment Sexual Predators activity.

Special Commitment Center New Facility and Workload

The department expects to open the new Special Commitment Center (SCC) at the North Island site on McNeil Island in Spring 2004. Funding is provided for unanticipated staff and facility set up costs within the program's Civil Commitment Sexual Predators activity.

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

Child Study and Treatment Center Patient Care

An increase in assaults to staff by high acuity adolescent clients in the Child Study and Treatment Center requires additional funding to ensure appropriate patient care and a safe workplace. An increase of six full-time equivalent staff and associated costs are added to the Mental Health Facility Services activity. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Staff Training Requirement

The Lizee vs. Washington settlement agreement requires the Mental Health Division to deliver mandatory sexual harassment and other types of training for all employees at Western State Hospital. Funding is also included for similar training at Eastern State Hospital, the Child Study and Treatment Center, and the Special Commitment Center. This training is a part of the program's Mental Health Facility Services and Civil Commitment Sexual Predators activities. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Involuntary Treatment Act Ancillary Costs

Community hospitals that treat patients covered under the Involuntary Treatment Act (ITA) charge certain ancillary costs to the state. These costs include physician, pharmacy, lab, transportation, and other necessary costs. Recent information identified that these required services were not included in the Regional Support Network contracts. Funding is provided to include reimbursement for these charges that are included in the Community Mental Health Prepaid Services activity. (General Fund-State, General Fund-Federal)

Legal Fees

The Department of Social and Health Services (DSHS) currently pays attorneys a maximum allowable rate of \$49.41 per hour for work under the state's sexual violent predator civil commitment process. DSHS established the rate in the Washington Administrative Code 13 years ago. Defense attorneys have recently argued before the courts that the low reimbursement rate negatively affects the defense work for their clients. In order to avoid a court order, this item increases the hourly prosecution and defense attorney payment rate for the sexual violent predator civil commitment process to \$65/hour. Paralegal fees are included at \$30/hour and investigator's fees are increased to \$30/hour. This item is a component of the Civil Commitment Sexual Predators activity.

Secure Commitment Transition Facility Mitigation-King County

This item funds one-time mitigation costs with the city of Seattle related to the King County Community Transition Facility site located on Spokane Street. Included is one-time training and the establishment of an advisory committee. This item is a component of the Civil Commitment Sexual Predators activity.

Western State Hospital Operations

This item provides funding for additional direct service staff to correct Western State Hospital business operations in the areas of utilization review and service coding. These are the most vulnerable risk areas identified in the report, Assessment of 3rd Party Billing Operational, Organizational, and Systems Performance and Capabilities (2001 Report, written by the Public Consulting Group, that was presented to the Legislature on January 18, 2001. This item is a component of the Mental Health Facilities Services activities. (General Fund-State and General Fund-Federal)

Program 040

DSHS - Developmental Disabilities**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	3,366.1	678,562	613,177	1,291,739
Supplemental Changes				
Workers' Compensation Changes		429	186	615
Mandatory Caseload Adjustments		734	(2,662)	(1,928)
FMAP Match Adjustment		(15,327)	15,327	
Transfers	(1.0)	50	(766)	(716)
Community Protection Placements		2,056	1,926	3,982
Consolidation of all Human Resource Positions	(12.7)	(924)	(646)	(1,570)
Children Aging Out of Other Service		2,172	296	2,468
Cost of Boarding Home Rule Implementation		3	4	7
Community Residential Workload		287	250	537
Comprehensive Assessment Tool	3.5	1,241	1,258	2,499
Funding for Waiver Services		3,224	3,367	6,591
Subtotal - Supplemental Changes	(10.2)	(6,055)	18,540	12,485
Total Proposed Budget	3,355.9	672,507	631,717	1,304,224
Difference	(10.2)	(6,055)	18,540	12,485
Percent Change	(0.3)%	(0.9)%	3.0%	1.0%

Supplemental Changes**Workers' Compensation Changes**

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

This item funds the forecast updates in the Medicaid Personal Care program. The forecast includes the caseload changes adopted by the Caseload Forecast Council's November 2003 forecast and the associated per capita changes. Both of these adjustments are reflected in the Personal Care activity. (General Fund-State, General Fund-Federal)

FMAP Match Adjustment

This item reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services. Congress recently adopted Public Law 108-27 that impacts the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. All Medicaid program activities are affected by this adjustment. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Program Support for Developmental Disabilities activity, where the service occurs. In addition, this item transfers the program's Office of Deaf and Hard of Hearing activity to the department's Division of Vocational Rehabilitation program. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Community Protection Placements

The Division of Developmental Disabilities (DDD) provides residential and support services to eligible clients who pose a significant public safety risk. This item includes funding for 49 community protection placements. Thirty-nine placements are designated for Allen and Marr lawsuit class members that reside in state psychiatric hospitals. Ten placements are designated for clients of the mentally ill offender program who have been released by the Department of Corrections. This item is a component of the Public Safety Services activity. (General Fund-State, General Fund-Federal)

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

Children Aging Out of Other Service

This item funds 21 youth who will be aging out of Children Administration (CA) services during Fiscal Year 2004, and an additional 21 individuals during Fiscal Year 2005. These youth age out of CA services between the ages of 18 and 21, but continue to require the intensive residential support included in the Residential Program activity. (General Fund-State, General Fund-Federal)

Cost of Boarding Home Rule Implementation

Licensed boarding homes are provided a \$.12 per resident rate increase to reimburse boarding homes for increased assessment requirements in recently revised licensing rules. The department has been working on amendments to boarding home licensing rules, which will go into effect September 1, 2004. The rules are now consistent with the Governor's Executive Order 97-02 regarding regulatory improvement. They are easier to understand, more applicable to current boarding home residents, more consistent with current practices in residential care, and more oriented towards outcome-based services. The rate increase will affect the program's Personal Care activity. (General Fund-State, General Fund-Federal)

Community Residential Workload

Due to the 2004 leap year, funding is adjusted for the additional day of services in the community residential workload calculation. Community residential services are paid on a daily rate basis and is included in the Residential Program activity. (General Fund-State, General Fund-Private/Local)

Comprehensive Assessment Tool

A recent Joint Legislative Audit and Review Committee (JLARC) study found that the Division of Developmental Disabilities (DDD) did not use consistent assessment tools to determine client service needs. After evaluating alternatives, DDD adopted the Comprehensive Assessment Reporting Evaluation (CARE) used by the Aging and Adult Services Administration. In Fiscal Year 2003, DDD implemented CARE for its adult clients. This funding includes part of a three-phase strategy to expand the CARE tool into all DDD assessments, including adults and children. Implementation of this strategy within the Field Service activity will allow DDD to improve its ability to match client needs with resources more consistently across the state. Except for the full-time equivalent staff and associated costs, the remainder of the item consists of one-time costs. (General Fund-State, General Fund-Federal)

Funding for Waiver Services

In 2002, the federal Center for Medicaid and Medicare Services (CMS) conducted an audit of DSHS's management of its DDD Home and Community Based Services Waiver. The audit identified a need for DDD to pay for services for clients currently enrolled in the waiver program. In response to the audit, DDD identified an additional 69 waiver clients in Fiscal Year 2003 and early Fiscal Year 2004 that require funding for these services within the Residential Program activity. (General Fund-State, General Fund-Federal)

Program 050

DSHS - Long Term Care**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,123.2	1,128,314	1,186,043	2,314,357
Supplemental Changes				
Nursing Home Rate Re-Projection		(11,322)	(11,322)	(22,644)
Workers' Compensation Changes		131	60	191
Mandatory Caseload Adjustments		5,010	5,054	10,064
Mandatory Workload Adjustments	11.8	945	872	1,817
FMAP Match Adjustment		(27,703)	27,703	
Transfers		(20)	40	20
Townsend Settlement Funding		678	678	1,356
Forecast Cost and Utilization		(4,847)	(8,749)	(13,596)
Adult Protective Services Fair Hearings	12.3	1,829	1,198	3,027
Consolidation of all Human Resource Positions	(2.5)	(164)	(151)	(315)
Cost of Boarding Home Rule Implementation		123	124	247
Boarding Home Licensing Fee	.7		106	106
Estate Adjudication Provisions #		(200)	(200)	(400)
Home and Community Services		1,661	1,826	3,487
Subtotal - Supplemental Changes	22.3	(33,879)	17,239	(16,640)
Total Proposed Budget	1,145.4	1,094,435	1,203,282	2,297,717
Difference	22.3	(33,879)	17,239	(16,640)
Percent Change	2.0%	(3.0)%	1.5%	(0.7)%

Supplemental Changes**Nursing Home Rate Re-Projection**

Based upon the most recent information from the Aging and Disability Services Administration, nursing home payment rates are expected to average \$142.04 per day in Fiscal Year 2004, rather than \$144.54 as originally budgeted; and \$144.93 per day in Fiscal Year 2005, rather than \$147.43 as originally budgeted. This re-projection affects the Long-Term Care Nursing Home Services activity. (General Fund-State, General Fund-Federal)

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

Funding is provided for changes in the number of clients who utilize long-term care services based upon the November 2003 Forecast adopted by the Caseload Forecast Council. An average of 48,000 persons per month are projected to receive publicly-funded care in nursing homes, community residential facilities, and their own homes during the 2003-2005 Biennium. The caseload changes affect several activities, which include: Long-Term Care Nursing Home Services, Long-Term Care Adult Day Health Community Services, Long-Term Care In-Home Services, Long-Term Care Adult Family Home Community Services, Long-Term Care Residential Community Services, and Program For All-Inclusive Care for the Elderly. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Mandatory Workload Adjustments

Additional local office staffing is authorized to keep pace with the projected increase in the number of persons receiving publicly-funded long-term care. Local field office staff are responsible for determining income eligibility for publicly-funded services; for assessing care needs and authorizing payment for community care; for monitoring the changing needs of persons receiving publicly-funded care in nursing homes and community residential facilities; for licensing and inspecting adult family homes and group care facilities; and for investigating alleged abuse and neglect of vulnerable adults. This increased staffing affects the Long-Term Care Eligibility/Case Management Services and the Long-Term Care Investigations/Quality Assurance activities. (General Fund-State, General Fund-Federal)

FMAP Match Adjustment

This item reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services. Congress recently adopted Public Law 108-27 that affects the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. All Medicaid program activities are affected by this adjustment. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Long-Term Care Administration activity, where the services are utilized. (General Fund-State, General Fund-Federal)

Townsend Settlement Funding

This item funds the Townsend settlement, which has recently been agreed upon in principle. The settlement includes in-home long-term care services for up to 200 medically needy clients. (General Fund-State, General Fund-Federal)

Forecast Cost and Utilization

This item reflects the costs and savings associated with cost and utilization changes in the November 2003 Forecast. Cost estimates include allowances for in-home worker wage increases, rate changes for nursing homes, and for community residential programs. Also included are required program changes such as revisions to the bed retainer policy, per capita impacts on the limitation on Community Options Program Entry Services (COPES) waiver enrollment, changes in Medicaid level of care standards, and changes in spousal asset limits.

The cost and utilization changes impact the Long-Term Care Nursing Home Services, Long-Term Care Adult Day Health Community Services, Long-Term Care In-Home Services, Long-Term Care Adult Family Home Community Services, Long-Term Care Residential Community Services, and the Program For All-Inclusive Care for the Elderly activities. (General Fund-State, General Fund-Federal)

Adult Protective Services Fair Hearings

In January 2003, the King County Superior Court ordered the Department of Social and Health Services (DSHS) to provide a fair hearing to an individual provider terminated from employment as a result of an Adult Protective Services (APS) substantiated findings of abuse, abandonment, neglect, and financial exploitation of a vulnerable adult. As of October 1, 2003, DSHS began providing due process to all these individuals. It is estimated that 563 APS investigations per year will require an administrative fair hearing. The additional funding provided to implement APS fair hearings will affect the Long-Term Care Investigations/Quality Assurance activity. (General Fund-State, General Fund-Federal)

Consolidation of all Human Resource Positions

Human resources staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

Cost of Boarding Home Rule Implementation

Licensed boarding homes are provided a \$.12 per resident rate increase to reimburse boarding homes for increased assessment requirements in recently revised licensing rules. The revised rules go into effect September 1, 2004, and are now consistent with the Governor's Executive Order 97-02 regarding regulatory improvement. They are easier to understand, more applicable to current boarding home residents, more consistent with current practices in residential care and more oriented towards outcome-based services. The rate increase will affect the Long-Term Care Residential Community Services activity. (General Fund-State, General Fund-Federal)

Boarding Home Licensing Fee

The boarding home annual licensing fee is increased from \$79 to \$82 for Fiscal Year 2004 and to \$84 for Fiscal Year 2005. These additional resources will be focused on improving the timeliness of the boarding home licensing process, and affect the Long-Term Care Residential Community Services activity. (General Fund-Local, General Fund-Federal)

Estate Adjudication Provisions #

Revisions to current law will allow the department to increase the number of claims (approximately 20 additional claims per year) against the estates of deceased elderly clients who received long-term care and medical assistance services.

The changes to the probate code close an unintended loophole in the law (which allows premature distribution of assets), and allow the department a reasonable opportunity to make legitimate and federally required claims for payments from the estates of previous clients. This change will impact both the Long-Term Care Nursing Home Services activity and the Long-Term Care Residential Community Services activity. (General Fund-State, General Fund-Federal)

Home and Community Services

Additional case managers, nurses, and case aides are authorized for in-home long-term care services provided by the Area Agencies on Aging (AAAs). This increased staffing level will support the AAAs in meeting contracted requirements for client assessment, service implementation/coordination, and monitoring of client care. This increased staffing affects both the Long-Term Care Eligibility/Case Management Services activity, and the Long-Term Care In-Home Services activity. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 060

DSHS - Economic Services Administration

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	4,503.8	815,547	1,243,638	2,059,185
Supplemental Changes				
Workers' Compensation Changes		529	228	757
Mandatory Caseload Adjustments		25,978	17,860	43,838
Transfers		(682)	(430)	(1,112)
Distribution of Child Support #	.2	(423)	(411)	(834)
State Supplemental Payments		38,607		38,607
Increased Cost for Electronic Benefit Transfer		1,326	1,165	2,491
Child Support For Developmentally Delayed Children #	1.0	36	72	108
Consolidation of all Human Resource Positions	(8.0)	(476)	(425)	(901)
Incapacity Exams		1,236	253	1,489
Subtotal - Supplemental Changes	(6.8)	66,131	18,312	84,443
Total Proposed Budget	4,497.0	881,678	1,261,950	2,143,628
Difference	(6.8)	66,131	18,312	84,443
Percent Change	(0.2)%	8.1%	1.5%	4.1%

Supplemental Changes

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

Funding is provided for changes in the number of clients who utilize Economic Services Administration (ESA) services based upon the November 2003 forecast adopted by the Caseload Forecast Council. The primary activity affected is the General Assistance Unemployable activity. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Program Support activity, where the service occurs. (General Fund-State, General Fund-Federal)

Distribution of Child Support

This item supports agency request legislation that would allow the department to consider income levels for past-due child support collection distributions, rather than proportionately with cases in which the department is enforcing on behalf of another state or jurisdiction. This will result in decreased state Temporary Assistance to Needy Families payments for the Child Support Enforcement activity. (General Fund-State, General Fund-Federal)

State Supplemental Payments

Additional funding is provided to the Supplemental Security Income Payments activity to meet federal Maintenance of Effort (MOE) spending requirements for the state's Supplemental Payment Program (SPP) that result from the federal government's disapproval of the state's SPP MOE plan. (General Fund-State)

Increased Cost for Electronic Benefit Transfer

In the 2003-05 budget, ESA had requested funding for the additional cost of the electronic benefit transfer (EBT) contract to cover the increased cost per case month, based on the caseload projections being used at the time. The Legislature partially funded this request. In addition to receiving only partial funding for this item, caseload levels affecting EBT (particularly basic food assistance) have increased significantly. Costs that were estimated at \$260,000/month are exceeding \$320,000/month. Projected costs are based on the current trend in the basic food and cash assistance caseloads and impact both the Food Stamp Administration activity and the Temporary Assistance to Needy Families activity. (General Fund-State, General Fund-Federal)

Child Support For Developmentally Delayed Children #

State law requires all parents to pay child support when their child resides out of the family home. The only exception is parents of developmentally delayed children. As a matter of equity, those families should be required to support their children living in foster care or other out of home settings. This item reflects expenditures in the Child Support Enforcement activity related to the agency request bill that would allow the Division of Child Support to collect child support for some, but not all, developmentally delayed children in foster care. Implementation of this bill necessitates a collections officer in the Child Support Enforcement activity to handle the increased volume of collections caseload. (General Fund-State, General Fund-Federal)

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

Incapacity Exams

The 2003-05 budget funded incapacity exams based on a lower cost per case than the agency had requested. The funded cost per case was based on the average cost for the last three years and did not accurately reflect the current cost for these exams. The health care exams required in the incapacity reviews have experienced significant cost increases. These reviews include psychiatric, psychological, and mental health exams. Adequate funding for incapacity exams is essential in determining eligibility for the General Assistance program. This item affects the General Assistance Unemployable activity. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 070

DSHS - Alcohol And Substance Abuse

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	97.6	80,640	151,714	232,354
Supplemental Changes				
Fund Shifts				
Workers' Compensation Changes		11	5	16
FMAP Match Adjustment		(429)	429	
Transfers		2		2
Additional Federal Authority		(58)	3,058	3,000
Consolidation of all Human Resource Positions	(.3)	(29)	(15)	(44)
Washington State Mentoring Partnership		250		250
Subtotal - Supplemental Changes	(.3)	(253)	3,477	3,224
Total Proposed Budget	97.3	80,387	155,191	235,578
Difference	(.3)	(253)	3,477	3,224
Percent Change	(0.3)%	(0.3)%	2.3%	1.4%

Supplemental Changes

Fund Shifts

Funds are shifted between accounts in the Community Based Drug and Alcohol Treatment Services activity in order to balance the Public Safety and Education Account. (Public Safety and Education Account-State, Violence Reduction and Drug Enforcement Account-State)

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase to agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

FMAP Match Adjustment

This item reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services. Congress recently adopted Public Law 108-27 that affects the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. All Medicaid program activities are affected by this adjustment. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Division of Alcohol and Substance Abuse Administration activity, where the services are utilized.

Additional Federal Authority

Additional federal expenditure authority is provided in order to serve more clients eligible for Medicaid services. The Division of Alcohol and Substance Abuse has effectively maximized their existing federal funds and will focus these additional federal dollars in Opiate Substitution and Native American Encounter services. This increased expenditure authority level affects the Community Based Drug and Alcohol Treatment Services activity. (General Fund-State, General Fund-Federal)

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's on-going needs for human resource services. (General Fund-State, General Fund-Federal)

Washington State Mentoring Partnership

State funds are invested in the Washington State Mentoring Partnership, which improves the lives of youth through quality mentoring relationships and support. The partnership serves as a network to expand the field of mentoring throughout the state, advocate prevention benefits, and provide support services. This state investment in the Chemical Dependency Prevention Services activity will leverage funds by encouraging private-sector participation.

RECOMMENDATION SUMMARIES

Program 080

DSHS - Medical Assistance Payments

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	981.3	2,450,197	4,806,706	7,256,903
Supplemental Changes				
Mandatory Caseload Changes		(40,814)	(129,242)	(170,056)
Durable Medical Equipment Forecast Change		12,579	12,134	24,713
Fund Shifts Forecast Change		(6,363)	6,364	1
Public Hospital Disproportionate Share Swap			54,528	54,528
Public Hospital District Disproportionate Share			73,418	73,418
Workers' Compensation Changes		111	56	167
Federal Funding Adjustment			37,090	37,090
FMAP Match Adjustment		(54,721)	54,973	252
Transfers		15	41	56
Townsend Settlement Funding		1,018	1,018	2,036
Belated 2003 FMAP Payments			20,232	20,232
Medicaid Management Information System Replacement	7.5	138	1,247	1,385
Prior Authorization Contract		1,710	1,014	2,724
Buy Down Premiums for Children			47,037	47,037
Governor's Rural Health Initiative			20,000	20,000
Consolidation of all Human Resource Positions	(.7)	(41)	(39)	(80)
State Drug Pricing Program	9.6	(5,024)	(5,195)	(10,219)
HIPAA Funding Revisions		306	311	617
ProShare Correction			(56,580)	(56,580)
FTEs for Social Security Claims Processing	16.0	119	2,271	2,390
SCHIP Match		(232)	232	
Washington Medicaid Integration				
Project Savings Reduction		4,759	5,054	9,813
Ad Match Funding	6.0	4,029	2,000	6,029
Trauma			(9,200)	(9,200)
Patient Transportation #		(120)	(120)	(240)
Estate Adjudication Provisions #		(50)	(50)	(100)
Subtotal - Supplemental Changes	38.5	(82,581)	138,594	56,013
Total Proposed Budget	1,019.7	2,367,616	4,945,300	7,312,916
Difference	38.5	(82,581)	138,594	56,013
Percent Change	3.9%	(3.4)%	2.9%	0.8%

Supplemental Changes

Mandatory Caseload Changes

An average of 928,000 persons per month are projected to receive state-funded medical assistance coverage during the 2003-05 Biennium. This is 19,000 fewer than the average monthly number assumed in the initial biennial budget. The primary changes to the forecast are a result of policy changes enacted with the budget, including more stringent eligibility verification, addition of children's cost-sharing policies due to take effect in January 2004, and elimination of the Medically Indigent program. In total, costs are lower than budgeted by \$91 million, (\$43 million in state funds), primarily because certain categories of services for some recipients are forecasted to cost less per person than identified in the March 2003 forecast. Forecast changes affect all program activities. (General Fund-State, Health Services Account-State, General Fund-Federal)

Durable Medical Equipment Forecast Change

Savings from durable medical equipment costs are adjusted to the five percent reduction estimated within the enacted budget. This item primarily affects the Medicaid Program for the Aged, Blind, and Disabled activity. (General Fund-State, General Fund-Federal)

Fund Shifts Forecast Change

Adjustments are made to the November 2003 forecast attribution of fund sources to align breast and cervical cancer expenditures between the federal and state share of total costs, and move the percentage of the state's share of maternity services costs to the Health Services Account from other sources. This item affects Mandatory Medicaid for Children and Adults and Special Programs activities. (General Fund-State, General Fund-Federal, Health Services Account-State)

Public Hospital Disproportionate Share Swap

Public hospital disproportionate share (DSH) swap payments are displayed separately from the November 2003 forecast. The program generates revenue for health programs funded by the state and for public hospital districts. This item affects the Disproportionate Share Hospital/Proshare activity. (General Fund-Federal, Health Services Account-State)

Public Hospital District Disproportionate Share

The federal Medicare Prescription Drug, Improvement and Modernization Act of 2003 was signed into law in December 2003. It makes a number of changes to the Medicare program, including a prescription drug benefit beginning in 2006, and a prescription drug discount card program in the interim. It also includes, among many other changes, additional federal contributions to state costs of prescription drugs for persons who are eligible for both Medicare and Medicaid. No additional cost sharing for senior drugs occurs until 2006, but there are immediate increases in the Disproportionate Share Hospital (DSH) payment allotments to the states.

This increased allotment is treated as other public hospital district DSH programs are operated in Washington. That is, the traditional percentage shares are retained to generate revenue for state-funded health programs paid for from the Health Services Account and to assist public hospital districts. This item affects the Disproportionate Share Hospital/Proshare activity. (General Fund-Federal, Health Services Account-State)

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

Federal Funding Adjustment

An adjustment to the program's federal appropriation is needed to accommodate planned payments to health districts, school districts, Indian nations, and various interagency and interlocal contracts. These expenditures, within the Special Programs activity, are fully funded with federal Medicaid dollars and are outside of the Medical Assistance Administration forecast process. (General Fund-Federal)

FMAP Match Adjustment

This item represents the part of the one-time federal fiscal relief that is distributed through a temporary increase in the Federal Medical Assistance Percentage (FMAP), which is the federal/state Medicaid matching rate. The temporary FMAP increase results in greater federal cost sharing and associated state savings in many program activities with notable exceptions being Administration, Disproportionate Share Hospital payments, Medicaid for Breast and Cervical Cancer, and the State Children's Health Insurance Program. (General Fund-State, General Fund-Federal, Emergency Medical Services and Trauma Care Systems Trust Account-State, Health Services Account-State)

Transfers

The 2003-05 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the Medical Assistance Administration's Administration activity, where the service will occur. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Townsend Settlement Funding

This item funds the Townsend settlement, which has recently been agreed upon in principle. The settlement includes in-home long-term care services for up to 200 medically needy clients. (General Fund-State, General Fund-Federal)

Belated 2003 FMAP Payments

This item finalizes last biennium's one-time federal fiscal relief that is distributed through a temporary increase in the Federal Medical Assistance Percentage (FMAP), which is the federal/state Medicaid matching rate. The temporary FMAP increase results in greater federal cost sharing and associated state savings in many program activities. Authority is provided to cover higher federal spending for payments that are made in Fiscal Year 2004 but attributable to services that were provided in 2003. The associated state savings are accounted for as an adjustment to the General Fund-State beginning balance for the 2003-05 Biennium. (General Fund-Federal)

Medicaid Management Information System Replacement

Funding was provided in the original budget for the feasibility study on the replacement of the Medicaid Management Information System (MMIS) in the Administrative Costs activity. Funding is added to complete the requirements analysis, develop the new system's functional requirements, and develop a long-term MMIS strategy to meet future reporting and business needs. The federal share of the project is 90 percent of the total. The amount provided is an estimate of the remaining funding requirements for this biennium. The requirements will not be finalized until December. (General Fund-State, General Fund-Federal)

Prior Authorization Contract

Pharmacy and provider support activities for the prior authorization function of the Consolidated Drug Purchasing activity will be contracted out in January 2004. (General Fund-State, General Fund-Federal)

Buy Down Premiums for Children

The enacted 2003-05 budget assumed the imposition of premiums for coverage related to the Medicaid for Optional Children activity. These premiums go into effect January 2004, and range from \$15 to \$25 per month per child. New sources of funds, acquired since the budget was enacted in June 2003, are used to eliminate the premiums related to optional Medicaid for children up to 150 percent of the federal poverty level (FPL); reduce the premiums related to optional Medicaid for children from 150 to 200 percent of FPL from the planned level of \$20 per month to \$10 per month; and reduce the premiums on State Children's Health Insurance Program activity children over 200 percent FPL from the planned level of \$25 per month to \$15 per month. (General Fund-Federal, Health Services Account-State)

Governor's Rural Health Initiative

The Governor has directed several agencies to make a collection of investments designed to improve the rural health infrastructure. Other agencies' investments include: completing the telemedicine network for all critical access hospitals to ensure that residents across the state have access to specialty services and resources, tripling the size of the program that provides assistance to retired practitioners with medical malpractice premiums and remove barriers they currently experience to volunteering their time and expertise in not-for-profit clinics; extending the school loan repayment program for students who will practice in regions and specialties experiencing shortages; and extending school nurse corps investments.

The Medical Assistance Administration is directed to increase Medicaid labor and delivery reimbursement rates by \$10 million in state funds and \$10 million in federal funds to assist practitioners with related medical malpractice premium costs and ensure that rural facilities are able to retain at least two maternity care providers on staff. This item affects the Mandatory Medicaid for Children and Families activity. (General Fund-Federal, Health Services Account-State)

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

State Drug Pricing Program

Positions are added to the state drug pricing program to increase the number of multi-source drug classes that are researched and priced at lower levels through the state maximum allowable cost process. The net savings result from purchasing more classes of drugs closer to the actual acquisition cost rather than reimbursement based on national guidelines that might be outdated. This item affects the Consolidated Drug Purchasing activity. (General Fund-State, General Fund-Federal)

HIPAA Funding Revisions

This change, within the Administration activity, is primarily a redistribution of the current 2003-05 biennial appropriation for implementation of Rule 1 of the Health Insurance Portability and Accountability Act (HIPAA). It includes reappropriation of unspent Fiscal Year 2003 federal HIPAA Rule 1 implementation funding, and an adjustment to Fiscal Year 2005 state funding to meet federal matching requirements for project expenditures. (General Fund-State, General Fund-Federal)

ProShare Correction

This item reflects a decrease from previous estimates in the size of the Nursing Home ProShare program. Corrections were made to the upper payment limit calculation, which resulted in a lower amount available to Public Hospital District nursing homes, and a lower amount of revenue generated for the Health Services Account than had been assumed at the time the budget was enacted. This item affects the Disproportionate Share Hospital/Proshare activity. (General Fund-Federal, Health Services Account-State)

FTEs for Social Security Claims Processing

The number of Medical Assistance Administration positions is increased in the Administration activity to accommodate growth in adjudication of Social Security Administration disability claims. Of the total additional cost, 95 percent is covered by federal funding. (General Fund-State, General Fund-Federal)

SCHIP Match

A recent federal law allows states to use unspent State Children's Health Insurance Program (SCHIP) activity funds to match Medicaid expenditures for children over 150 percent of the federal poverty level, even though the coverage for the eligible groups was in effect prior to enactment of the SCHIP program. This provision allows the state to free up \$22.9 million in state funds. (General Fund-State, General Fund-Federal, Health Services Account-State)

Washington Medicaid Integration Project Savings Reduction

Savings estimates from implementing the Washington Medicaid Integration Partnership project (WMIP) assumed in the 2003-05 budget will not be achieved as the project has been rescaled to a demonstration project in a targeted region. This item affects the Medicaid Program for Aged, Blind and Disabled activity. (General Fund-State, General Fund-Federal)

Ad Match Funding

In 2002, the Office of the Inspector General (OIG) reported a disallowance of federal funds to the state Medicaid program related to the claiming of expenditures associated with the school-based outreach and linkage (Ad Match) program. This item reflects one portion of the disallowance amount in the Special Programs activity. The remaining amount is accommodated with previous fiscal period appropriation authority.

In addition, local spending authority and associated positions are added to allow for the expenditure of revenues collected by the Medical Assistance Administration (MAA) from participating schools to pay for MAA support of the Ad Match program. (General Fund-State, General Fund-Local)

Trauma

The amount of funding appropriated for the Medical Assistance Administration (MAA) from the trauma fund was too high in Fiscal Years 2004 and 2005 and is adjusted downward to match available resources. This affects all MAA activities. (Emergency Medical Services and Trauma Care Systems Trust Account-State)

RECOMMENDATION SUMMARIES

Patient Transportation #

The Department of Social and Health Services will submit agency request legislation to amend current law that requires all prone or supine persons to be transported by ambulance, regardless of the purpose or the person's medical condition. A change in the current restrictive law will allow prone or supine persons who are medically stable to be transported by stretcher van, resulting in more appropriate use of health fiscal resources. This affects all program activities. (General Fund-State, General Fund-Federal)

Estate Adjudication Provisions #

Revisions to current law will allow the department to increase the number of claims (approximately 20 additional claims per year) against the estates of deceased elderly clients who received long-term care and medical assistance services.

The changes to the probate code close an unintended loophole in the law which allows premature distribution of assets, and allow the department a reasonable opportunity to make legitimate and federally required claims for payments from the estates of previous clients. This change will impact the Medicaid Program for the Aged, Blind, and Disabled activity. (General Fund-State, General Fund-Federal)

*Program 100***DSHS - Vocational Rehabilitation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	344.6	20,382	86,243	106,625
Supplemental Changes				
Workers' Compensation Changes		41	20	61
Transfers	2.0	(16)	905	889
Consolidation of all Human Resource Positions	(.2)	(7)	(29)	(36)
Subtotal - Supplemental Changes	1.8	18	896	914
Total Proposed Budget	346.4	20,400	87,139	107,539
Difference	1.8	18	896	914
Percent Change	0.5%	0.1%	1.0%	0.9%

Supplemental Changes**Workers' Compensation Changes**

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Vocational Rehabilitation Administration activity, where the services are utilized. In addition, this item transfers the Office of Deaf and Hard of Hearing from the Division of Developmental Disabilities to the Division of Vocational Rehabilitation (DVR), and transfers one full-time equivalent staff from the Information Systems' budget to DVR. (General Fund-State, General Fund-Federal, Telecommunications Devices for the Hearing and Speech Impaired Account)

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 110

DSHS - Administration and Supporting Services

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	600.9	61,894	46,562	108,456
Supplemental Changes				
Workers' Compensation Changes		81	38	119
Transfers	11.5	2,114	12,070	14,184
Consolidation of all Human Resource Positions	40.2	3,234	1,646	4,880
Subtotal - Supplemental Changes	51.7	5,429	13,754	19,183
Total Proposed Budget	652.6	67,323	60,316	127,639
Difference	51.7	5,429	13,754	19,183
Percent Change	8.6%	8.8%	29.5%	17.7%

Supplemental Changes

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January, 2004. (General Fund-State, General Fund-Federal)

Transfers

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Administrative Services Division activity, where the service occurs. In addition, this item transfers the Family Policy Council and the Governor's Juvenile Justice Advisory Committee from Children's Administration and the Juvenile Rehabilitation Administration, respectively, into the Administrative Services budget. (General Fund-State, General Fund-Federal, Public Safety and Education Account-State, and Violence Reduction and Drug Enforcement Account-State)

Consolidation of all Human Resource Positions

Human resource staff currently funded in each of the Department of Social and Health Services (DSHS) administrations are transferred and consolidated within the Human Resources Division activity in the DSHS Administrative Services Division. This transfer will help ensure that the function is better able to meet the changing needs of personnel reform and the agency's ongoing needs for human resource services. (General Fund-State, General Fund-Federal)

*Program 145***DSHS - Payments to Other Agencies****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		84,022	41,994	126,016
Supplemental Changes				
Transfers		646	292	938
Increased Office of Administrative Hearings				
Caseload		80	60	140
Technical Correction		568	256	824
Attorney General Costs		1,258	415	1,673
Subtotal - Supplemental Changes		2,552	1,023	3,575
Total Proposed Budget		86,574	43,017	129,591
Difference		2,552	1,023	3,575
Percent Change		3.0%	2.4%	2.8%

Supplemental Changes**Transfers**

The 2003-2005 biennial budget adjusted funding levels in the Department of Social and Health Services (DSHS) Revolving Fund Program for services provided by the Department of Information Services and the Department of Personnel. This item transfers these funds directly to the program's Payments to Other Agencies activity, where the service occurs. (General Fund-State, General Fund-Federal)

Increased Office of Administrative Hearings Caseload

The Office of Administrative Hearings (OAH) is experiencing an increase in DSHS hearings that are more complicated and time consuming. These funds in the Payments to Other Agencies activity will allow DSHS to reimburse OAH for 137 new cases and 101 new decisions. (General Fund-State, General Fund-Federal)

Technical Correction

The 2003-05 biennial budget included a carry forward level error in the Payments to Other Agencies activity that was discovered after the budget passed. This item corrects that error. (General Fund-State, General Fund-Federal)

Attorney General Costs

The 2003-05 biennial budget included an agreed upon increase in the level of Attorney General (OAG) services for DSHS. The increase was included in the OAG budget but, through an oversight, was not included in the DSHS Payments to Other Agencies activity budget. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 150

DSHS - Information System Services

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	151.4			
Supplemental Changes				
Transfers	(1.0)			
Subtotal - Supplemental Changes	(1.0)			
Total Proposed Budget	150.4			
Difference	(1.0)			
Percent Change	(0.7)%			

Supplemental Changes

Transfers

This item transfers staff from the Information System Services program directly to the department's Division of Vocational Rehabilitation program.

Agency 107

Washington State Health Care Authority

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	271.7		538,159	538,159
Supplemental Changes				
Technical Corrections			(1,198)	(1,198)
Mandatory Workload Adjustments	2.3		285	285
Additional Drug Purchasing Mandates			677	677
Insurance System Funding			2,247	2,247
Subtotal - Supplemental Changes	2.3		2,011	2,011
Total Proposed Budget	274.0		540,170	540,170
Difference	2.3		2,011	2,011
Percent Change	0.8%		0.4%	0.4%

Supplemental Changes

Technical Corrections

The first adjustment is to the agency's General Fund-Federal appropriation to account for federal participation in the Insurance System Replacement Project (ISRP). The original budget reappropriated some project funds from the previous biennium to this biennium. This item adds the federal share that can be claimed on that expenditure.

A second adjustment is necessary to decrease the level of funding for Basic Health Plan administration.

Finally, the base administration budget is increased to offset a Department of Information Systems (DIS) rate reduction that was based on previous consumption. The original budget assumed the agency would not need DIS services for most of the 2003-05 biennium since it is purchasing a new system of its own (ISRP). A DIS rate reduction was calculated on the assumption the agency would be using the same DIS services it had used prior to the ISRP, meaning the reduction was too large. Funding is increased to return the agency to the original baseline, which will be adjusted again in funding the delay in the ISRP.

These changes support the agency's administrative activity by aligning resources to program and customer needs. (General Fund-Federal, State Health Care Authority Administrative Account-State, Health Services Account-State)

Mandatory Workload Adjustments

One responsibility of the Health Care Authority is to purchase public employee health care services which includes administration of the Uniform Medical Plan (UMP) activity. The UMP is the state's self-insured health plan designed by the Public Employees' Benefits Board and administered by the Health Care Authority. Its enrollment is expected to grow at least 30-40 percent from calendar year 2003 to 2004. UMP enrollment has grown steadily in recent years, increasing 44 percent overall from 1999 to 2003. Recent growth has exhausted the capacity for current UMP staff to absorb the new workload.

This item adds funding for three staff, plus materials and contracted credentialing verification, to address increased workloads in two areas: (1) enrollee appeals and correspondence, and (2) provider contracting and network management. (State Health Care Authority Administrative Account-State)

RECOMMENDATION SUMMARIES

Additional Drug Purchasing Mandates

Chapter 29, Laws of 2003, 1st Special Session, relating to prescription drugs, was enacted after the original budget was passed. The act charges the Health Care Authority with additional responsibilities in the Consolidated Drug Purchasing activity, including developing and managing a process for practitioners to endorse the statewide preferred drug list (PDL) authorized by the act. Since the budget bill preceded this act, funding for this activity was not included. (General Fund-Federal, State Health Care Authority Administrative Account-State, Medical Aid Account-State, Health Services Account-State)

Insurance System Funding

Authorization is provided for the expenditure of additional funds for the continued operation of the existing legacy computer systems from October 2003 through September 2004, and for project management and vendor oversight through December 2004. This administrative activity funding is required due to delays in implementing the new insurance system. (General Fund-Federal, State Health Care Authority Administrative Account-State, Health Services Account-State)

*Agency 190***Board of Industrial Insurance Appeals****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	159.1		30,149	30,149
Supplemental Changes				
Delivery of Vocational Rehabilitation Benefits #	.6		150	150
Subtotal - Supplemental Changes	.6		150	150
Total Proposed Budget	159.7		30,299	30,299
Difference	.6		150	150
Percent Change	0.4%		0.5%	0.5%

Supplemental Changes**Delivery of Vocational Rehabilitation Benefits #**

Funding is provided to address the additional workload associated with the immediate compensation award option found in proposed legislation on vocational rehabilitation. This item relates to the Board of Industrial Insurance's Hearings activity. (Accident Account, Medical Aid Account)

RECOMMENDATION SUMMARIES

Agency 235

Department of Labor and Industries

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	2,601.9	11,723	460,676	472,399
Supplemental Changes				
Mandatory Caseload Adjustments			(222)	(222)
Other Fund Adjustments		285	(285)	
Prevailing Wage Customer Service	2.0		292	292
Self Insurance Electronic Data Interchange	.7		214	214
Delivery of Vocational Rehabilitation Benefits #	.5		258	258
Preventing Workers Compensation Fraud	5.0		498	498
Subtotal - Supplemental Changes	8.2	285	755	1,040
Total Proposed Budget	2,610.1	12,008	461,431	473,439
Difference	8.2	285	755	1,040
Percent Change	0.3%	2.4%	0.2%	0.2%

Supplemental Changes

Other Fund Adjustments

Based on recommendations in a finding from the State Auditor's Office, Labor and Industries (L&I) is revising the manner in which it charges certain funding sources for the costs of providing "indirect" or administrative services. L&I has developed a sound method to equitably and fairly allocate the indirect costs of support to L&I direct service programs. All of L&I's activities are affected. However, the total agency costs and agency administrative costs do not change. (General Fund-State and various other funds)

Prevailing Wage Customer Service

This item provides expenditure authority within the Employment Standards/Prevailing Wage activity to perform service improvements for prevailing wage customers mandated by the Legislature. These improvements include more timely wage surveys, greater response rates, and timely forms processing. These mandates are outlined in Chapter 363, Laws of 2003. (Public Works Administration Account)

Self Insurance Electronic Data Interchange

The Self Insurance Electronic Data Interchange (SI-EDI) project, within the Self Insurance activity, is designed to assess the feasibility of using electronic data interchange to collect and report on claims data for self-insured employers. Self-insured employers provide workers' compensation coverage to 30 percent of Washington State's workers. The department's limited ability to collect data on self-insured claims hinders regulatory efforts in workers' compensation and safety and prevention. Moreover, there is no mechanism for self-insured employers to receive data regarding their performance and outcomes. This project is the first step toward allowing self-insurers to electronically submit their claim-related data to L&I and to receive reports. (Accident Account, Medical Aid Account)

Delivery of Vocational Rehabilitation Benefits #

Best practices for delivering vocational services have changed significantly since the present system was instituted in 1985. The current system is at times more costly and not as effective as desired in returning injured workers to work. The department is proposing legislation in the 2004 session on a cost-effective proposal that will provide better results and more options for injured workers. This item relates to the Worker Compensation Benefit Policy and Operation activity. (Accident Account, Medical Aid Account)

Preventing Workers Compensation Fraud

The department plans to take aggressive action to prevent fraud in the workers' compensation system by identifying, prosecuting, and collecting from employers who try to secure a competitive advantage by not paying their fair share of workers' compensation premiums and workers who fraudulently receive workers' compensation benefits. Premium Assessment and Collections and various other activities are involved in this process. (Accident Account, Medical Aid Account)

RECOMMENDATION SUMMARIES

Agency 302

Home Care Quality Authority

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	5.0	671		671
Supplemental Changes				
Design and Development Registry				
Home Care Referral Registry		160		160
Subtotal - Supplemental Changes		160		160
Total Proposed Budget	5.0	831		831
Difference		160		160
Percent Change	0.0%	23.8%		23.8%

Supplemental Changes

Design and Development Registry

Delays in implementing the project necessitate shifting funds to the second fiscal year. This item affects the Establishment of a Referral Registry of Individual Providers of Home Care activity.

Home Care Referral Registry

A recently completed feasibility study identified additional software design functionality necessary for the registry data base. One-time funding is provided for the functions necessary to complete the planning and design components of the registry. This item affects the Establishment of a Referral Registry of Individual Providers of Home Care activity.

Agency 303

Department of Health

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,251.9	118,367	611,249	729,616
Supplemental Changes				
Public Health Preparedness			7,347	7,347
Childhood Lead Poisoning Prevention			100	100
Drinking Water Protection			2,902	2,902
Federal Grants Spending Authority	10.7		36,181	36,181
Family Planning Pilot		250		250
Methamphetamine Control #	.9		188	188
Governor's Rural Health Initiative			700	700
Zoonotic Disease Program	2.2	439		439
Subtotal - Supplemental Changes	13.8	689	47,418	48,107
Total Proposed Budget	1,265.7	119,056	658,667	777,723
Difference	13.8	689	47,418	48,107
Percent Change	1.1%	0.6%	7.8%	6.6%

Supplemental Changes

Public Health Preparedness

An \$18 million federal grant in Fiscal Year 2003 launched the department's Emergency Preparedness and Response activity. The grant was for 18 months, and 12 months of spending was incurred. The department's federal spending authority is increased this biennium to utilize the remaining funds. (General Fund-Federal)

Childhood Lead Poisoning Prevention

Activities related to childhood lead poisoning have been funded through a federal grant that expires in June 2004. The remainder of the biennium is funded with state dollars to allow the department to continue monitoring, coordination of appropriate follow-up, and maintenance of the database related to childhood lead poisoning. This item supports the Epidemiology and Assessment activity. (Health Services Account-State)

Drinking Water Protection

New information since passage of the 2003-05 budget reveals higher than expected waterworks operator certification revenue and greater than expected program needs in the Drinking Water program. Fund balance is available to continue core business operations in the Department of Health's Drinking Water Protection activity in the 2003-05 Biennium, as follows: \$325,000 from the Drinking Water State Revolving Fund (DWSRF) loan fee account to administer the DWSRF capital loan program; \$2,156,000 in additional federal set-aside spending authority to continue core regulatory work with public water systems; and \$420,000 in additional spending authority in waterworks operator certification fee revenues to provide increased training opportunities for small water system operators. (Drinking Water Assistance Account-Federal; Waterworks Operator Certification Account-State; Drinking Water Assistance Administrative Account-State)

RECOMMENDATION SUMMARIES

Federal Grants Spending Authority

Updated estimates of available federal funds exceed the agency's current federal expenditure authority. An increase in the appropriation will allow the Department of Health to spend additional federal funds for many department activities. Examples include Chronic Disease and Health Promotion (heart disease, obesity, diabetes, and cancer), Maternal and Child Health (the Women, Infants, and Children program, and immunizations), Infectious Disease Control (HIV/AIDS prevention, tuberculosis and sexually-transmitted disease prevention and control), and Epidemiology and Assessment. (General Fund-Federal)

Family Planning Pilot

The Department of Health's Family Planning and Reproductive Health program will run a pilot program in Yakima County to target its services to low-income women and men who are not likely to qualify for Medicaid services through the Department of Social and Health Services. The pilot program shall be designed to improve family planning services for an additional 1,000 people in an area of the state with a large underserved population. This item affects the Maternal and Child Health activity.

Methamphetamine Control #

An agency request bill would give the department, and the Board of Pharmacy, regulatory tools to prevent wholesale and retail transactions in excessive quantities of ephedrine products that represent an early stage of methamphetamine trafficking. The Board's data on suspicious transactions suggest that some convenience stores are acquiring massive quantities of these products, far exceeding any plausible demand for legitimate consumption. The bill combines regulatory enforcement and criminal penalties, allowing the Board and the department to partner effectively with law enforcement agencies to reduce this activity. The bill supports the Safety and Quality of Healthcare Services activity, since the department authorizes convenience stores to sell over-the-counter medication. A portion of current convenience store fees will pay for periodic on-site inspections, management and reporting of data. (Health Professions Account-State)

Governor's Rural Health Initiative

The Governor has directed several agencies to make a collection of investments designed to improve the rural health infrastructure. Among them are enhancements to Medicaid labor and delivery reimbursement rates to assist practitioners with related medical malpractice premium costs and ensure that rural facilities are able to retain at least two maternity care providers on staff; extension of the school loan repayment program for students who will practice in regions and specialties experiencing shortages; and extension of school nurse corps investments.

Two elements of the initiative are funded within the Department of Health budget and support the Health Systems/Public Health Systems Development activity. State funding in the amount of \$300,000 will triple the program that provides assistance to retired practitioners with medical malpractice premiums, and remove barriers they currently experience to volunteering their time and expertise in not-for-profit clinics.

The telemedicine network for all critical access hospitals will be completed with an addition of \$400,000 in state funding. The telemedicine network will ensure that residents across the state have access to specialty services and resources, and that providers have access to the latest safety and training information. A broad network will also be available to assist with emergency preparedness activities and public health emergencies. (Health Services Account-State)

Zoonotic Disease Program

The recent emergence of zoonotic diseases (diseases transmitted from insect and animals to humans), such as West Nile virus, St. Louis Encephalitis, and monkeypox, has greatly increased demands on the Department of Health and its Infectious Disease Control activity. Additional funding will help ensure rapid identification, response and prevention of these diseases in Washington.

*Agency 305***Department of Veterans Affairs****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	609.8	21,576	57,017	78,593
Supplemental Changes				
FMAP Adjustment		(158)	158	
Workers' Compensation Changes		233		233
Subtotal - Supplemental Changes		75	158	233
Total Proposed Budget	609.8	21,651	57,175	78,826
Difference		75	158	233
Percent Change	0.0%	0.3%	0.3%	0.3%

Supplemental Changes**FMAP Adjustment**

This item reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services. Congress recently adopted Public Law 108-27 that impacts the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. All Medicaid program activities are affected by this adjustment. (General Fund-State, General Fund-Federal)

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase to agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004.

RECOMMENDATION SUMMARIES

Agency 310

Department of Corrections

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	8,069.5	1,164,069	35,295	1,199,364
Supplemental Changes				
Transfer Youthful Offender Program	(5.0)	(1,104)		(1,104)
Drug Sentencing Grid #	(79.1)	(16,608)		(16,608)
Eliminate Unfunded FTEs	(158.0)			
OMNI Phase II Modifications				
Lease Rate Adjustments		41		41
Utility Rate Adjustments		595		595
Other Rate Adjustments		2,596		2,596
Workers' Compensation Changes		1,618		1,618
Mandatory Caseload Adjustments	252.9	75,707		75,707
Medical Inflation		3,207		3,207
Transfers				
Drug Offender Sentencing Alternative	23.0	3,077		3,077
Network Maintenance Contract		120		120
State Criminal Alien Assistance Program		4,656	(4,656)	
Apply New Criteria to Misdemeanors #	(11.3)	(1,478)		(1,478)
Child Support Payments		35		35
Hepatitis C Treatment		3,000		3,000
Kennewick Field Office Flood		13		13
Attorney General Legal Fees		40		40
Records Workload	11.2	1,413		1,413
Program Transfers - DIS				
Regulatory Compliance	1.0	688		688
Warrants Compliance	2.4	301		301
Subtotal - Supplemental Changes	37.1	77,917	(4,656)	73,261
Total Proposed Budget	8,106.6	1,241,986	30,639	1,272,625
Difference	37.1	77,917	(4,656)	73,261
Percent Change	0.5%	6.7%	(13.2)%	6.1%

Supplemental Changes

Transfer Youthful Offender Program

A 1997 law requires prosecution and sentencing of some juvenile offenders as adults, but does not require them to serve their sentences in adult prisons. The Department of Corrections (DOC) has transferred some of these youthful offenders to facilities managed by the Department of Social and Health Services Juvenile Rehabilitation Administration (JRA) under existing authority. This item transfers the remaining youthful offenders, average daily population of 24, to JRA facilities, affecting the Confine Convicted Adults in State Prisons activity. The transfer allows the state to utilize capacity that has become available within the JRA system due to declining at-risk populations, and provides DOC access to more maximum security level beds.

This transfer will be effective September 2004, to align with the 2004-05 school year. Youthful offenders transferred to JRA will remain under the jurisdiction of DOC while serving part of their sentences at JRA. This transfer will not change their sentences or time spent in total confinement.

Drug Sentencing Grid #

A recently enacted drug sentencing grid, effective July 1, 2003, is retroactively applied. By Fiscal Year 2005, an average daily population (ADP) of 489 non-violent drug offenders currently in the state prison system will have their terms re-calculated. This change will affect the Confine Convicted Adults in State Prisons activity and the Health Care Services for Adults in State Prisons activity.

Eliminate Unfunded FTEs

The budget adjusts authorized staffing levels to reflect 158 unfunded positions identified by the department.

OMNI Phase II Modifications

This item transfers funds from Fiscal Year 2004 to Fiscal Year 2005 for the completion of the Offender Management Network Information (OMNI) Phase II, impacting the Corrections Core Administration activity.

Lease Rate Adjustments

This item provides funding for a lease rate increase for the Department's minimum-security camps located on Department of Natural Resources' property, affecting the Confine Convicted Adults in State Prisons activity.

Utility Rate Adjustments

Utility rates included in the Confine Convicted Adults in State Prisons activity have increased. Funding is provided for utility rate increases for water, sewer, garbage, electricity, natural gas, and heating oil based on data that was not available when the 2003-05 Operating Budget was submitted.

Other Rate Adjustments

Funding is provided for the increased cost of services provided by the Department of Information Services (DIS). These DIS services primarily affect the Department of Corrections' Core Administration activity.

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004.

Mandatory Caseload Adjustments

Funding is provided for caseload based upon the November 2003 forecast adopted by the Caseload Forecast Council. The forecast includes an average of 2,292 additional offenders requiring community supervision, compared to the 2003-05 budgeted levels. This adjustment affects several activities, which include: Supervise High-Risk Adult Offenders in the Community, Supervise Moderate-Risk Offenders in the Community, and Supervise Low-Risk Offenders in the Community.

The forecast also includes an average increase of 674 additional inmates, which drives the Department of Corrections' current average daily population overcrowding in prisons to over 2,000 by the end of Fiscal Year 2005. This inmate increase affects the Confine Convicted Adults in State Prisons activity and the Health Care Services for Adults in State Prisons activity. The level of overcrowding should not exceed 700 to operate safe, secure, and efficient facilities. To alleviate the overcrowding, DOC will rent over 1,300 beds from other jurisdictions by the end of Fiscal Year 2005.

Medical Inflation

A 2.5 percent increase is provided towards the costs for prescription medication, including psychotropic drugs, and medical supplies/services. The department is continuing to reduce medical expenditures through cost containment efforts, however the costs continue to increase beyond budgeted levels. This increase affects the Health Care Services for Adults in State Prisons activity.

RECOMMENDATION SUMMARIES

Transfers

The 2003-2005 biennial budget applied administrative reductions to the Department of Corrections' Community Supervision program. This item transfers this reduction to programs that better minimize the potential risk to public safety. This transfer primarily impacts the Confine Convicted Adults in State Prisons, Supervise High-Risk Adult Offenders in the Community, Supervise Moderate-Risk Adult Offenders in the Community, and Supervise Low-Risk Adult Offenders in the Community activities.

Drug Offender Sentencing Alternative

The Department of Corrections implemented changes to align policy with 2003-2005 budgeted resources. These policy changes included lower levels of supervision for offenders sentenced under the Drug Offender Sentencing Alternative (DOSA). Courts may reduce the use of DOSA sentencing if supervision is inadequate, which would result in longer sentences and higher prison costs. This item restores DOSA supervision to Fiscal Year 2003 levels, affecting the Supervise Moderate-Risk Adult Offenders in the Community activity.

Network Maintenance Contract

Maintenance contracts for information technology equipment, included in the Department of Corrections Core Administration activity, have increased.

State Criminal Alien Assistance Program

The Department of Corrections receives federal funds to assist in paying the cost of incarcerating illegal aliens who have committed serious crimes in the state of Washington. The federal budget includes an estimated \$165 million reduction for this purpose in Federal Fiscal Year 2003, which equates to a \$4.6 million reduction to the state's Confine Convicted Adults in State Prisons activity. (General Fund-State, General Fund-Federal)

Apply New Criteria to Misdemeanors

Some misdemeanors and gross misdemeanors are sentenced in Superior Court, usually because they originated as felony charges. Current law requires the Department of Corrections (DOC) to supervise offenders convicted in Superior Court, whether convicted of felonies or misdemeanors. Chapter 379, Laws of 2003, relieved the DOC of supervision responsibilities for certain low-risk felons, but did not change the requirement to supervise misdemeanants. Legislation has been proposed to allow the department to terminate community supervision for misdemeanants utilizing the same criteria as felonies. An estimated 2,026 low-risk misdemeanor cases will no longer be supervised in the community, affecting the Supervise Low-Risk Offenders in the Community activity.

Child Support Payments

Chapter 271, Laws of 2003, requires the Department of Corrections (DOC) to withhold child support payments from gross wages or gratuities of inmates in correctional industries work programs. This item provides the Department of Corrections Core Administration activity the required funds to make programming changes to successfully withhold payments and provide data to the Department of Social and Health Services.

Hepatitis C Treatment

The Hepatitis C drug therapy costs have increased, affecting the Health Care Services for Adults in State Prisons activity. The National Institutes of Health have determined that the current Rebetrone drug therapy is not effective for the Genotype 1 strain, and that these patients should be treated with Peg Interferon drug therapy. This funding will allow the department to treat 138 Genotype 1 Hepatitis C patients serving prison sentences.

Kennewick Field Office Flood

Equipment and materials destroyed by water damage at the Kennewick Community Corrections field offices are replaced. This item affects the Supervise High-Risk Offenders in the Community activity, the Supervise Moderate-Risk Offenders in the Community activity, and the Supervise Low-Risk Offenders in the Community activity.

Attorney General Legal Fees

In August 2002, the United States Court of Appeals remanded sections of the Hallett class action lawsuit back to the United States District Court for further litigation. The lawsuit was originally brought in 1993 and alleges that inadequacies in health care at the Washington Corrections Center for Women violated the inmates' protection against cruel and unusual punishment. A settlement was reached in November 2003. Funding is provided to the Department of Corrections' Core Administration activity to pay legal costs incurred while this case was active.

Records Workload

The field-based community corrections records staff provide essential records management for offenders supervised in the community including offenders housed in work release facilities. The additional requirements of Chapter 379, Laws of 2003, which relieved the Department of Corrections (DOC) of supervision responsibilities for certain low-risk felons; combined with the November 2004 forecast increase, have put a strain on the ability of the records staff to perform essential functions in a timely manner. This increased staffing level will support the department in meeting the act's requirements for supervising offenders within the community, which will affect several activities, including: Supervise High-Risk Adult Offenders in the Community, Supervise Moderate-Risk Offenders in the Community, and Supervise Low-Risk Offenders in the Community.

Program Transfers - DIS

This item enables the department to transfer Interagency Services reductions taken in the 2003-05 Operating Budget to the Institutional Services and Community Corrections programs.

The 2003-05 biennial budget adjusted funding levels in the Department of Corrections Interagency Payments Program for services provided by the Department of Information Services. This item transfers these reductions directly to the Institutional Services and Community Corrections Programs, primarily affecting the Department of Corrections' Core Administration activity.

Regulatory Compliance

New regulations and rate increases have been imposed relating to hazardous waste, fire service protection, national pollution discharge elimination system compliance, environmental cleanup, and for health care audits. This increased funding will support the department in meeting these requirements, affecting the Confine Convicted Adults in State Prisons activity.

Warrants Compliance

The Department of Corrections receives and issues warrants on a 24 hours-per-day, 7 days-per-week basis, and enters this information into automated information systems used by law enforcement agencies only 8 hours-per-day, 5-days-per-week. The Washington State Patrol has requested that the department maintain a 24/7 work shift to ensure the quality, accuracy, and timeliness of warrant information. Increased staffing is provided to both the Supervise High-Risk Offenders in the Community activity and the Supervise Moderate-Risk Offenders in the Community activity.

RECOMMENDATION SUMMARIES

Agency 540

Employment Security Department

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	2,142.0		520,472	520,472
Supplemental Changes				
Employer Outreach Activities				
UI Technology Infrastructure			4,453	4,453
Subtotal - Supplemental Changes			4,453	4,453
Total Proposed Budget	2,142.0		524,925	524,925
Difference			4,453	4,453
Percent Change	0.0%		0.9%	0.9%

Supplemental Changes

Employer Outreach Activities

Two million of the Unemployment Compensation Administration Account Federal appropriation of Reed Act funds is appropriated for employer outreach activities and to prevent, detect and collect unemployment insurance benefit overpayments that are currently funded with Penalty and Interest Account funds. (General Fund-Federal)

UI Technology Infrastructure

This item replaces obsolete information technology (IT) infrastructure, thereby improving customer service capabilities and mitigating the risk of critical system failures. The purchases are one-time expenditures designed to ensure a sound technology foundation for the Unemployment Insurance, Benefits, and Taxation activity. Funding for this item will come from the recent distribution of federal Reed Act funds.

Customer service will be enhanced by the purchase of personal computers, printers, infrastructure servers, and database backup computers to replace slow, outdated equipment. The servers and computers support claims processing, e-mail, and basic call systems. Replacing the optical character recognition system with newer technology will support more efficient, accurate processing of employer tax and wage reports, which should result in fewer employer tax adjustments or claimant benefit changes. The combined cost of these purchases is approximately \$2.2 million.

In addition, the Department has two critical system components - switches and routers - that are past their life cycle and are costly to maintain. Replacing these items will reduce the risks of system failures, which can result in delayed benefit payments or a shutdown of all unemployment compensation operations. It will also enable the agency to decrease its travel and training costs. The combined cost of these items is approximately \$4.4 million.

The expected outcomes from these purchases are increased network performance, greater security, enhanced customer service, and improved accuracy and efficiency. (Unemployment Compensation Administration Account-Federal)

Agency 461

Department of Ecology**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,383.6	66,727	236,808	303,535
Supplemental Changes				
Loan Tracking System Enhancements			41	41
Shoreline Master Program Grants				
Flood Control Emergency Grant Funds			140	140
Envirotest Settlement		2,500		2,500
Enhancing Safety of Dams	.5	131		131
Enhance Well Construction Program *			730	730
Mercury/Rule/Chemical Action Plans	2.1		436	436
Hazardous Waste Management Liability	.5		350	350
Water Masters #	4.0	1,124		1,124
Drought Response			323	323
Lummi/Tulalip Water Right Mediation		400		400
Flow Achievement and Protection #	2.3	2,010		2,010
Subtotal - Supplemental Changes	9.3	6,165	2,020	8,185
Total Proposed Budget	1,392.9	72,892	238,828	311,720
Difference	9.3	6,165	2,020	8,185
Percent Change	0.7%	9.2%	0.9%	2.7%

Supplemental Changes**Loan Tracking System Enhancements**

Beginning in the 1999-01 Biennium, Ecology received funding to develop and implement a water quality loan tracking system to better manage approximately \$400 million in water quality loans. Additional enhancements to this system are necessary to ensure compatibility with Windows XP and Office of Financial Management Accounting and Fiscal Report System (AFRS) changes, and to address data transfer issues from Crystal Reports to Excel. These enhancements will allow the Provide Water Quality Financial Assistance activity to modify the loan tracking system to address these required computer system changes. (Water Pollution Control Revolving Account-State, Water Pollution Control Revolving Account-Federal)

Shoreline Master Program Grants

In the 2003 legislative session, \$1,000,000 of state General Fund money was appropriated for each fiscal year of the biennium to fund local government grants to revise their shoreline master programs. While contracts with local governments will be signed and the funding obligated, it is not likely the full amount awarded will actually be spent in the first fiscal year. The total appropriation amount, workload, and grants provided will stay the same, but the fiscal year expenditure fund split will be adjusted by moving \$400,000 to Fiscal Year 2005. This item affects the Provide and Manage Shorelines in Partnership with Local Governments activity.

RECOMMENDATION SUMMARIES

Flood Control Emergency Grant Funds

The Department of Ecology provides grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management plans. For the current biennium, grant funding was reduced from approximately \$4 million to \$2 million. To ensure that resources are available to address local emergency flood control projects, the remaining \$140,000 of the one-time fund balance is provided for emergency grants. This item affects the Provide Technical and Financial Assistance to Local Governments to Reduce Flood Hazards activity. (Flood Control Assistance Account)

Envirotest Settlement

Envirotest, the former contractor of the state's vehicle emission testing program, filed a breach of contract suit against the state in February 2002, alleging lost profits due to legislative changes in the vehicle emission testing program that resulted in fewer vehicles being tested and less revenue being generated for Envirotest. After substantial discovery and dismissal of summary judgments requested by the state, mediation to resolve the matter was conducted. As a result of this mediation, the state has agreed to a one-time payment of \$2.5 million, subject to appropriation from the Legislature, to settle all claims. This item affects the Reduce Health and Environmental Threats from Motor Vehicle Emissions activity.

Enhancing Safety of Dams

The Ensure Dam Safety activity is charged with reviewing proposals for new dams and conducting safety inspections on existing dams. Recent audit findings from the Association of State Dam Officials, as well as guidance from the federal government, recommend safety inspection of moderate and high-risk dams at least once every five years. The 2003-05 budget authorized a fee increase for reviewing new dam construction plans and a new fee for dam inspections, generating \$423,000 in state General Fund revenue. It also provided for one full-time staff to help meet these inspection cycles; however this level of staffing will not fully meet the five-year review cycle goal. The actual fee increase to be implemented in Fiscal Year 2005 will generate an additional \$131,000 of revenue for one extra engineer to meet the recommended five-year safety inspection review cycle and perform emergency dam safety inspections.

Enhance Well Construction Program *

The Department of Ecology and local health departments regulate well construction and decommissioning to protect and manage groundwater. The current fee system does not cover the costs of the program and has not been adjusted since its authorization in 1993. Well construction fees will be increased by agency request legislation and indexed to the state's fiscal growth factor. This new revenue will be utilized to increase grants to local governments that accept delegation of well construction inspections, and to maintain the well log and construction data system that was just completed last biennium. This item affects the Regulate Well Construction activity. (Reclamation Account)

Mercury/Rule/Chemical Action Plans

Last session the Legislature enacted Chapter 260, Laws of 2003, related to Mercury Reduction and Education. Additional funding of \$270,000 is provided to implement the Mercury Chemical Action Plan and resume baseline fish tissue monitoring. A memorandum of understanding with the Washington State Hospital Association and the Auto Recyclers of Washington will be completed with \$84,000 of one-time funding for the safe disposal of products containing mercury; \$75,000 of ongoing funding will be provided for coordinating fluorescent lamp recycling; and \$111,000 of ongoing funding will be used to resume baseline fish tissue sampling. In addition, \$83,000 is provided to complete rule development to establish criteria that will be used to select toxic chemicals for future chemical action plans, and \$83,000 of on-going funding will be utilized to complete chemical action plans. This item affects the Reduce Persistent Bioaccumulative Toxins (PBTs) in the Environment activity. (State Toxics Control Account)

Hazardous Waste Management Liability

In recent years, five hazardous waste management facilities have gone bankrupt or been abandoned, leaving property owners, customers, or the public with the responsibility of paying for cleaning up and removing wastes safely. Clean-up costs have ranged from several hundred thousand to millions of dollars. With this funding the Hazardous Waste Pollution Through Permitting, Closure, and Corrective Action activity will amend rules to require closure plans, liability coverage, and financial assurances for such facilities. A temporary staff person will facilitate this process. In addition, a one-time contract for financial assurance expertise will be used to supplement the rule process and to develop technical assistance materials; assess and recommend pooled liability insurance options to lower costs for businesses; and assist in the review and approval of facility financial assurance documents. (Hazardous Waste Assistance Account)

Water Masters #

Water masters provide effective and efficient local public service for water rights permitting, technical assistance, compliance, and building community support for rational water management. Currently, two water master positions exist in the Walla Walla and Methow watersheds. With the expected completion of 27 watershed plans, additional water masters are needed to implement those plans. Funding is provided to the Promote Compliance With Water Laws activity for eight additional water masters to be assigned to work in 14 high priority watersheds where watershed planning will be completed within the current biennium and/or where the public investment in purchasing water rights for instream flows needs to be protected. Funding is contingent upon passage of flow achievement and protection executive request legislation.

Drought Response

The persistence of record dry conditions experienced during the summer of 2003 raises concerns that if the snow pack does not reach an adequate level this winter, Washington will face serious drought conditions next summer with related economic consequences, especially for agriculture and fishery resources. Funding is provided for drought relief grants which will only be utilized if a drought is officially declared by the Governor. This item affects the Prepare and Respond to Drought and Climate Change activity. (State Drought Preparedness Account, State Emergency Water Projects Revolving Account)

Lummi/Tulalip Water Right Mediation

At the request of the Lummi Nation, the federal government has filed for a declaration of the Lummi's water rights in federal court. The Department of Ecology and the Attorney General have received support from the United States Department of the Interior to seek a mediated settlement of the water right claims of the Lummi Nation. In addition, the Tulalip tribe has expressed an interest in adjudicating their federally reserved tribal water rights. One-time funding of \$200,000 for each mediation is provided to the Manage Water Rights activity to expedite resolution of these matters.

Flow Achievement and Protection #

Executive request legislation is being proposed to enhance and protect basin flows and to ensure that instream flows will be achieved by a specific timeline. It is anticipated that existing planning processes for addressing instream flows will be incorporated into the program, and participation grants will be provided for watershed areas not participating in the watershed planning process or other similar processes. This item affects the Assess, Set, and Achieve Instream Flows activity.

RECOMMENDATION SUMMARIES

Agency 465

State Parks and Recreation Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	694.6	59,962	44,156	104,118
Supplemental Changes				
Digital Government			72	72
Grants and Donations			750	750
Utility Rate Adjustments		230		230
Workers' Compensation Changes		103	35	138
Operating Costs for Existing Capital Projects	1.0		89	89
Subtotal - Supplemental Changes	1.0	333	946	1,279
Total Proposed Budget	695.6	60,295	45,102	105,397
Difference	1.0	333	946	1,279
Percent Change	0.1%	0.6%	2.1%	1.2%

Supplemental Changes

Digital Government

State Parks recently replaced its aging network server. A combination of one-time and on going funding is provided for information technology upgrades for this server that will enable State Parks to improve computer security and utilize statewide, new-generation applications that currently cannot be used, such as the Travel Voucher System. All agency activities are affected. (Parks Renewal and Stewardship Account-State)

Grants and Donations

State Parks periodically receives unrestricted donations as well as grants for specific park-related purposes. State law provides for donations to be deposited in the Parks Renewal and Stewardship Account. Expenditure authority is provided to the Developed and Staffed Parks activity so the agency can expend these donations. (Parks Renewal and Stewardship Account-State, Parks Renewal and Stewardship Account-Private/Local)

Utility Rate Adjustments

Funding is provided to the Developed and Staffed Parks activity for utility costs and fire-protection services not included in the 2003-05 operating budget.

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase to agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, Parks Renewal and Stewardship Account-State)

Operating Costs for Existing Capital Projects

Staffing and funding are provided to the Developed and Staffed Parks activity for operating costs not fully funded in the 2003-2005 operating budget for the new Fort Worden State Park dining facility. These resources will be dedicated to maintenance and customer-service activities. (Parks Renewal and Stewardship Account-State)

Agency 467

Interagency Committee for Outdoor Recreation

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	25.1	2,502	21,758	24,260
Supplemental Changes				
Federal Salmon Response	.5	200		200
Biodiversity Strategy	1.5	125	125	250
Subtotal - Supplemental Changes	2.0	325	125	450
Total Proposed Budget	27.1	2,827	21,883	24,710
Difference	2.0	325	125	450
Percent Change	8.0%	13.0%	0.6%	1.9%

Supplemental Changes

Federal Salmon Response

Due to mounting pressures on the federal budget, funding for salmon recovery has come under increased scrutiny by Congress. Since 1998, approximately \$36 million per year had been earmarked for the state under the Pacific Salmon Fund. Last year the amount was decreased to \$27 million. The Administration of Outdoor Recreation, Habitat, and Salmon Restoration Investments activity will contract with a federal liaison to develop materials and hire staff to directly support and promote the state's interests in salmon recovery. Establishing a coordinated communications effort within the Salmon Recovery Funding Board will improve the state's effectiveness in garnering federal support for salmon recovery programs by demonstrating coordination between the Governor's Office and state agencies, communicating the state's salmon recovery priorities, and advocating for federal actions and funding that support the state's priority salmon recovery initiatives.

Biodiversity Strategy

Chapter 287, Laws of 2002, created a temporary committee at the Interagency Committee for Outdoor Recreation to develop recommendations to the Governor and the Legislature in establishing the framework for the development and implementation of a statewide biodiversity conservation strategy. This strategy is intended to replace existing single-species or single-resource protection programs with a more holistic approach. On October 1, 2003, the committee finalized its report and recommendations. State funds will be matched by private funding to initiate a new activity within the agency that begins implementing the Biodiversity Committee's recommendations. (General Fund-State, General Fund-Private/Local)

RECOMMENDATION SUMMARIES

Agency 468

Environmental Hearings Office

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	9.0	1,883		1,883
Supplemental Changes				
Mandatory Workload Adjustments		34		34
Equipment Maintenance/Software Licenses		15		15
Subtotal - Supplemental Changes		49		49
Total Proposed Budget	9.0	1,932		1,932
Difference		49		49
Percent Change	0.0%	2.6%		2.6%

Supplemental Changes

Mandatory Workload Adjustments

Last biennium the Department of Ecology received funding to eliminate the backlog of water right change permits. In addition, the Environmental Hearings Office (EHO) received funding for one additional appeals judge to review the appeals of these additional decisions. Due to efficiency cuts, however, this position was reduced by 40 percent. This reduction cannot be sustained and still provide timely resolution of these complex appeals. This water right change appeals judge is increased from 60 percent to 80 percent time to provide independent review of these appeals, and to begin reducing the average of eight months for a decision back down to the agency goal of six months or less. Faster appeal decisions will allow some economic development projects to proceed and decrease the permit decision processing timelines.

Equipment Maintenance/Software Licenses

Due to the Environmental Hearings Office's 2003-05 biennial efficiency cut of \$160,000, the increased number of water right permit appeals, and higher than expected appeals filed with the new Environmental and Land Use Hearings Board, the EHO cannot fund a contract for maintenance and support of its computer network. In past years this contract was funded with vacancy and efficiency savings that now do not exist. Funding is provided for this contract.

Agency 477

Department of Fish and Wildlife**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,530.3	81,632	196,208	277,840
Supplemental Changes				
Critical Management Functions			500	500
Coastal Crab Pot Buoy Tags *	.2		126	126
Dive Fishery Expenditure Adjustment			131	131
Workers' Compensation Changes		277	184	461
Contract Management System		150	150	300
Federal/Local Authority			(859)	(859)
Hunter Education			43	43
Oyster Reserve	.3		274	274
Recreational Fishery-Lake Washington and Eastern Washington		150		150
Critical Wildlife Disease Testing	.9		180	180
Wildfire		333	83	416
Access Area Maintenance			166	166
Subtotal - Supplemental Changes	1.4	910	978	1,888
Total Proposed Budget	1,531.6	82,542	197,186	279,728
Difference	1.3	910	978	1,888
Percent Change	0.1%	1.1%	0.5%	0.7%

Supplemental Changes**Critical Management Functions**

Funding is provided to the financial services component of the Administration activity to moderate the impact of unanticipated revolving fund increases and budget reductions included in the 2003-05 budget on core agency financial management functions. (State Wildlife Account-State)

Coastal Crab Pot Buoy Tags *

The health of the coastal crab resource and the marine environment depends on a well-regulated program to ensure even-flow harvest of crab by limiting the number of crab pots deployed. Crab pot buoy tags are essential to the department's ability to adequately enforce pot limits and minimize the chance of over and/or illegal harvest. Funding will be provided to the Manage Fish and Wildlife Harvest activity to allow the department to collect a fee to reimburse the cost of providing buoy tags to coastal crab fishers and for administering the Coastal Crab Pot Buoy Tag program. (Coastal Crab Pot Account-Nonappropriated)

Dive Fishery Expenditure Adjustment

The existing fund balance within the Manage Fish and Wildlife Harvest activity for the Sea Urchin and Sea Cucumber Dive Fishery accounts is provided to the department to manage these fisheries. (Sea Cucumber Dive Fishery Account-Nonappropriated and Sea Urchin Dive Fishery Account-Nonappropriated)

RECOMMENDATION SUMMARIES

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase in agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State and various other funds)

Contract Management System

The current contract management system within the department tracks approximately 1,300 contracts and amendments annually. However, the system does not provide timely and/or relevant management information about projects and funding. The Washington Department of Fish and Wildlife (WDFW) has developed the first phase of a revised system and seeks to complete the system. Existing resources within WDFW preclude completion of this project in a timely manner due to decreasing dedicated state, federal and private/local revenues. This item provides one-time funding to the financial services section within the Administration activity for completion of the financial reporting components of the system. Future operations and maintenance needs for the system are to be absorbed by the department. (General Fund-State, State Wildlife Account-State)

Federal/Local Authority

In 2003, the department determined that certain state, federal and private/local expenditures and revenues were not properly aligned. The department requested, and was granted, a change in its authority in the 2003 supplemental budget. This change was not carried through to the 2003-05 Biennium. This request impacts agency-wide activities and is a technical correction that more accurately redistributes state, federal and private/local authority between the General Fund, the State Wildlife Account and the Special Wildlife Account. (General Fund-Federal, General Fund-Private/Local, State Wildlife Account-Federal, State Wildlife Account-Private/Local, Special Wildlife Account-State, Special Wildlife Account-Federal, Special Wildlife Account-Private Local)

Hunter Education

Increasing demand for hunter education has limited the department's ability to provide adequate numbers of courses to the public and/or retain sufficient numbers of qualified instructors. This item provides one-time funding of \$40,000 for instructor training and recognition costs and \$12,500 in ongoing funding for classroom materials and out-of-pocket instructor costs. The Provide Outreach and Education Services activity will benefit from this funding increase. The increase is supported by dedicated revenues obtained by concealed pistol permit late penalty fees. (State Wildlife Account-State)

Oyster Reserve

During the 2001-03 Biennium, revenues from the oyster reserve program exceeded initial projections by roughly \$160,000. The success of the program requires additional work within the Conduct Fish and Wildlife Production activity to maintain existing revenues and to expand the program to increase revenues in future years. Initial authority allowed the department to use 40 percent of the revenue to administer the program, to return 10 percent to the state General Fund, and to transfer 50 percent to the Puget Sound Action Team for distribution as grants to improve septic systems in coastal areas of Southwest Washington. This item provides an increase of \$274,000 to continue and expand current activities and brings the total spending to \$411,000 per biennium. (Oyster Reserve Lands Account-State)

Recreational Fishery-Lake Washington and Eastern Washington

Preliminary forecasts indicate a Lake Washington Sockeye salmon return of roughly 600,000 fish. The number of fish returning is expected to be 20-25 percent higher than the 1990 season when that fishery provided an estimated economic value to the region of \$6 million. For 2004, the projected economic value to the region is estimated at \$9 to \$12 million. To provide this recreational opportunity to the public, the department must increase monitoring and sampling during the fishery to ensure that fish listed under the Endangered Species Act are adequately protected. This item provides one-time funding to the Manage Fish and Wildlife Harvest activity to conduct supplemental monitoring and sampling to open the Lake Washington Sockeye Fishery and one additional Eastern Washington recreational fishery during the 2004 season.

Critical Wildlife Disease Testing

In the 2002 supplemental budget, the department received \$180,000 for Fiscal Year 2003 to help control critical wildlife diseases such as Chronic Wasting Disease in deer and elk and swan lead poisoning. However, the supplemental funding was not fully recognized in the 2003-05 budget. This item fully funds these activities in the second year of the biennium within the agency's Protect Human, Fish and Wildlife Health activity. (State Wildlife Account-State)

Wildfire

Wildfires burned in excess of 6,250 acres of WDFW lands during the summer of 2003. To date, unanticipated fire suppression and rehabilitation costs amount to \$250,000. These one-time funds will contribute to multiple activities within the department that will allow for immediate rehabilitation of lands to control erosion, restore native perennial vegetation, and to limit the spread of noxious weeds. Additional funding in the amount of \$166,000 is provided for restoration of deer, elk and boundary fencing on agency lands destroyed by wildfires. (General Fund-State, State Wildlife Account-State)

Access Area Maintenance

Increased use of agency access sites has resulted in steady deterioration of boat ramps, signs, fences, and restrooms as well as an erosion of agency weed control efforts at these sites. Revenue from the sale of vehicle use permits has increased substantially over the last two years. This item provides funding to the Manage Recreational Access Sites for Public Use activity from dedicated revenues for additional maintenance and weed control at access sites. (State-Wildlife Account-State)

RECOMMENDATION SUMMARIES

Agency 490

Department of Natural Resources

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,440.7	64,540	215,605	280,145
Supplemental Changes				
NRCA Fire Damage Restoration		60		60
Workers' Compensation Changes		19	58	77
Pacific Sound Resources Litigation	.7	940		940
Emergency Fire Suppression		29,593	653	30,246
Subtotal - Supplemental Changes	.7	30,612	711	31,323
Total Proposed Budget	1,441.4	95,152	216,316	311,468
Difference	.7	30,612	711	31,323
Percent Change	0.0%	47.4%	0.3%	11.2%

Supplemental Changes

NRCA Fire Damage Restoration

One-time funding is provided to the Natural Areas activity for habitat restoration in the department-managed Loomis Natural Resource Conservation Area (NRCA), which sustained damage as a result of fighting the Farewell Creek fire during the summer of 2003. Restoration work for this conservation area will meet a higher standard than restoration on non-conservation lands, and will include replanting with native vegetation, reshaping slopes to the natural contour, and obliterating a fire road.

Workers' Compensation Changes

Due to the magnitude of the workers' compensation rate increase to agency premiums, additional expenditure authority is needed. The new rates become effective January 1, 2004. (General Fund-State, various other funds)

Pacific Sound Resources Litigation

One-time funding and staff are provided to the Contaminated Sediments activity for legal defense costs related to a toxic-cleanup lawsuit filed in King County Superior Court by Pacific Sound Resources (PSR) and the Port of Seattle against the State of Washington, the Department of Natural Resources (DNR), and other defendants. The port and PSR, a former wood-treating company, seek between \$20 million and \$40 million in costs associated with cleaning up contamination at a waterfront site formerly leased from DNR. Settlement discussions have not been successful and trial is scheduled for February 2005.

Emergency Fire Suppression

One-time funding is provided to the Fire Suppression activity for incurred and anticipated costs during Fiscal Year 2004, in excess of the department's existing fire suppression appropriations. (General Fund-State, General Fund-Federal)

Agency 495

Department of Agriculture

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	655.9	14,688	76,498	91,186
Supplemental Changes				
Workers' Compensation Changes			(16)	(16)
Pesticide Monitoring	1.5		248	248
Agricultural Economic Development		380		380
Subtotal - Supplemental Changes	1.5	380	232	612
Total Proposed Budget	657.4	15,068	76,730	91,798
Difference	1.5	380	232	612
Percent Change	0.2%	2.6%	0.3%	0.7%

Supplemental Changes

Workers' Compensation Changes

In the enacted 2003-05 budget workers' compensation funding was provided to an inactive account previously used by the Fruit and Vegetable Inspection activity. This funding is removed. (Horticultural Districts Account-Nonappropriated)

Pesticide Monitoring

Funding is provided to correct a technical error in calculating the 2003-05 carry-forward budget for the Pesticide Strategy Program within the Pesticide Regulation activity. One-time costs were removed, but ongoing staff costs were not biennialized. This item fully funds the agency's efforts to monitor and determine the effect of pesticides on salmon. (Agricultural Local Account-Nonappropriated, State Toxics Account-State)

Agricultural Economic Development

Ongoing funding is provided to continue three agricultural promotion programs whose funding would otherwise expire, or be reduced, during the 2003-05 Biennium. "From the Heart of Washington" produces articles, advertisements, and events to "buy Washington," thereby promoting Washington agriculture. Within the International Marketing activity, the Southeast Asia/China trade representative assists international sales of Washington products to those areas of the world. The Small Farm and Direct Marketing activity connects small farmers directly with consumers, thereby increasing profitability and viability of small and family farms. Supplemental funding for Fiscal Year 2005 will: enable "From the Heart of Washington" (within the Agricultural Promotion and Protection activity) to provide advertising and in-store labeling for Washington-produced agricultural products; provide trade representation for China and Southeast Asia; and allow the Small Farm and Direct Marketing activity to work on projects of importance to Washington stakeholders, in addition to federal priorities.

RECOMMENDATION SUMMARIES

Agency 205

Board of Pilotage Commissioners

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1.5		272	272
Supplemental Changes				
Revolving Fund Correction			6	6
Subtotal - Supplemental Changes			6	6
Total Proposed Budget	1.5		278	278
Difference			6	6
Percent Change	0.0%		2.2%	2.2%

Supplemental Changes

Revolving Fund Correction

Budgets for agencies that provide support services to state government were finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Board's marine pilot regulation budget to reflect the decisions made in the omnibus budget that resulted in higher charges from these service agencies.

(Pilotage Account-State)

Agency 225

Washington State Patrol**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	2,311.4	38,860	300,612	339,472
Supplemental Changes				
Commercial License Compliance #	1.9		276	276
Fund Realignment			595	595
Technical Corrections			838	838
Revolving Funds			(317)	(317)
Workers' Compensation Changes			502	502
Motor Carrier Safety Assistance Program Match	5.4		873	873
Identity Fraud Detectives	1.0		265	265
DUI Cost Recovery			948	948
Capital: Prosser I-82 Weigh Station			500	500
Subtotal - Supplemental Changes	8.3		4,480	4,480
Total Proposed Budget	2,319.7	38,860	305,092	343,952
Difference	8.3		4,480	4,480
Percent Change	0.4%	0.0%	1.5%	1.3%

Supplemental Changes**Commercial License Compliance #**

Proposed legislation establishing new requirements for commercial driver license applicants and school bus drivers will bring the state into compliance with new regulations promulgated by the Federal Motor Carrier Administration. The legislation also implements regulations imposed by the Transportation Security Administration. Affecting the Criminal Records Management activity, funds are provided for the processing of an additional 10,900 criminal history background checks required under this legislation. (Fingerprint Identification Account-State)

Fund Realignment

Overly optimistic estimates in state and federal seizure account revenues, caseload increases in DNA processing in the Crime Laboratory Division, and escalating maintenance costs associated with Criminal Records data systems necessitate the realignment of department funds. Consistent with the Patrol's cost allocation analysis, a transportation appropriation is provided to free up equivalent omnibus resources for these activities. This item primarily affects the Crime Laboratory activity, Special Weapons and Tactics Team, Investigative Assistance for Drug Enforcement activity, and Criminal Records Management activity. (State Patrol Highway Account-State and various other funds)

RECOMMENDATION SUMMARIES

Technical Corrections

An additional \$712,000 of expenditure authority from the Fingerprint Identification Account is provided to cover costs associated with the payment of fees collected for the Office of Superintendent of Public Instruction and the Department of Social and Health Services for applicant background checks. This item represents a technical correction to the enacted 2003-05 biennial budget to provide spending authority for activities currently undertaken by the agency. It affects the Criminal Records Management activity. (Fingerprint Identification Account-State)

Inadvertently omitted from the original 2003-05 budget, funding is provided for costs associated with 911 emergency telephone services and computer-aided dispatch mapping. Because communications is an agency indirect function, this item affects all agency activities. (State Patrol Highway Account-State)

Revolving Funds

Adjustments are made to align revolving fund appropriations with anticipated agency payments. This item affects various activities. (State Patrol Highway Account-State)

Workers' Compensation Changes

Funds are provided to replace workers' compensation funding inadvertently omitted from the original enacted budget. This item affects all activities. (State Patrol Highway Account-State)

Motor Carrier Safety Assistance Program Match

Additional state funding totaling \$281,000 is provided as matching funds to leverage an increase in federal monies of \$1,123,700 that will be available to the Washington State Patrol for the Motor Carrier Safety Assistance Program (MCSAP). This funding will provide six additional commercial vehicle enforcement staff dedicated to conducting safety audits to implement the New Entrants Safety program recently mandated by Congress. It also will provide increased coverage along the Canadian border to support the federal Northern Border High Priority program.

Spending authority for the Fiscal Year 2004 federal grants has already been approved through the unanticipated receipt process. The federal funding in this item is the anticipated amount needed in Fiscal Year 2005 to sustain the New Entrants and Northern Border High Priority programs. This item affects the Commercial Vehicle Safety Enforcement activity. (State Patrol Highway Account-State)

Identity Fraud Detectives

The enacted 2003-2005 Transportation Budget directs the Washington State Patrol (WSP) to assign two detectives to partner with the Department of Licensing to combat identity fraud, driver license fraud, and identity theft. This item provides the funding necessary to implement this mandate. This item affects the Traffic and Auto Theft Investigation activity. (Highway Safety Fund-State)

DUI Cost Recovery

Funds derived from cost reimbursements associated with driving under the influence (DUI) arrests, coupled with federal grant dollars, are provided for the purchase of 65 in-car video cameras and related equipment. In addition, funds are provided to replace 60 aged DataMaster breath test instruments. Affecting the Highway Traffic Enforcement and Emergency Operations and Implied Consent activities, these improvements will allow the Patrol to continue its aggressive enforcement and effective prosecution of drivers impaired by alcohol. (State Patrol Highway Account-State, State Patrol Highway Account-Federal)

Capital: Prosser I-82 Weigh Station

Funds are provided for the design and site improvements for a new commercial vehicle weigh station building near Prosser. Funding for actual construction will be provided in the 2005-07 Biennium. This item affects the Commercial Vehicle Safety Enforcement activity. (State Patrol Highway Account-State)

Agency 240

Department of Licensing**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,217.7	9,974	207,761	217,735
Supplemental Changes				
Commercial License Compliance #	2.7		397	397
General Fund Realignment				
Additional Attorney General Funding			600	600
Transportation Revenue Bill			76	76
Ignition Interlock Requirements	.4		73	73
Derelict Vessel Removal Account				
Hearings Unit Workload Increase	1.6		263	263
Workers' Compensation Changes			254	254
Indirect Realignment		74	(74)	
Lease Cost Increases		59	185	244
Support Services Reduction	(.9)		(134)	(134)
Revolving Funds Correction			(291)	(291)
Employee Safety			157	157
Alternate Renewals #	1.2		495	495
Policy and Data Analysis	.7		126	126
Subtotal - Supplemental Changes	5.6	133	2,127	2,260
Total Proposed Budget	1,223.3	10,107	209,888	219,995
Difference	5.5	133	2,127	2,260
Percent Change	0.5%	1.3%	1.0%	1.0%

Supplemental Changes**Commercial License Compliance #**

Funds are provided to bring the Department of Licensing into compliance with federal regulations on commercial driver license applicants, school bus drivers, and the issuance of hazardous materials endorsements. This item affects the Commercial Driver License Program activity. (Highway Safety Fund-State)

General Fund Realignment

For a variety of activities, this item evenly distributes General Fund-State appropriations between fiscal years within the Business and Professions Division. This request has a net zero impact on the General Fund-State in the 2003-05 Biennium and ensuing biennia.

Additional Attorney General Funding

Additional appropriation authority is provided to cover increases in Attorney General legal services affecting all agency activities. (Highway Safety Fund-State)

Transportation Revenue Bill

In support of Vehicle Services Title and Registration activities, funding is provided to cover the agency's cost in implementing various transportation tax and fee increases and revenue transfers mandated by the implementation of Chapter 361, Laws of 2003, Transportation Financing. (Motor Vehicle Fund-State)

RECOMMENDATION SUMMARIES

Ignition Interlock Requirements

Funding is provided to implement Chapter 366, Laws of 2003, which requires an ignition interlock restriction as a condition of driver license reinstatement for adult and minor drivers convicted of alcohol-related offenses, including breathalyzer test refusals and deferred prosecution. Drivers are now required to submit proof that the ignition interlock device has been installed. Funding will provide for the ongoing costs for salaries, benefits, and goods and services for a partial full-time equivalent staff needed to process the verification of the installation of ignition interlock devices. This item supports the Mandatory Driver License Suspension Records activity. (Highway Safety Fund-State)

Derelict Vessel Removal Account

This item corrects a coding error in the Vehicle Title and Registration activity to provide proper funding from the Derelict Vessel Removal Account. (Derelict Vessel Removal Account)

Hearings Unit Workload Increase

The Driver Services Hearings and Interviews activity has experienced a 40 percent increase in workload since staff were added in the 2001-03 Biennium. Current workload increases are driven primarily by sustained emphasis patrols, such as the Washington State Patrol's "Click It or Ticket" campaign and driving under the influence enforcement. Additional funding is provided for hearings officers and administrative support staff to handle the increased workload. (Highway Safety Fund-State)

Workers' Compensation Changes

Funds are provided to replace workers' compensation funding inadvertently omitted from the original enacted budget. This item affects all activities. (Highway Safety Fund-State, Motor Vehicle Fund-State)

Indirect Realignment

This item adjusts the funding sources for the Management and Support Services Division, the Information Services Division, and the Business and Professions Division to accurately represent the cost of services provided to direct Department of Licensing (DOL) program areas. This item supports a variety of activities. (General Fund-State and various other funds)

Lease Cost Increases

Funding is provided to cover the cost of lease increases for eight driver licensing offices and three office buildings in the Olympia area which house Driver Licensing Office and Agency Executive and Technology Management activities. (General Fund-State, Highway Safety Fund-State, Motor Vehicle Fund-State, DOL Services Fund-State).

Support Services Reduction

Funding is reduced for agency administrative programs (Management Support Services and Information Services) in proportion to the funding reduction taken in the 2003-05 biennial budget in the Vehicle Services Division, Dealers Program. This item affects the Agency Executive and Technology Management activity. (Motor Vehicle Fund-State)

Revolving Funds Correction

The appropriation levels for revolving funds are corrected by program and by fund to match the amount that will be billed by each revolving fund service agency for all agency activities. (Motorcycle Safety Education Account-State, Wildlife Account-State, Highway Safety Fund-State, Motor Vehicle Fund-State).

Employee Safety

Funding is provided for a pilot project to evaluate the effectiveness of enhanced safety measures at driver licensing offices across the state. Closed circuit monitoring equipment and armored car services will be implemented at higher-risk locations to promote the improved security of staff, customers, and state resources. This item affects the Driver Licensing Office activity. (Highway Safety Fund-State)

Alternate Renewals #

Funding is provided to complete computer system changes, cover credit card charges, and hire additional full-time equivalent staff so that customers will have the option of renewing their driver license or identification card using the Internet or by mail. The Department will submit legislation for the 2004 session to authorize this new renewal option. This package enhances the Driver Responsibility and the Driver Licensing Offices activities. (Highway Safety Fund-State)

Policy and Data Analysis

Additional funds are provided for an exempt management specialist to support the Director's Office in its management of the agency, enhance internal policy analysis activities, and improve communication and coordination with other state agencies, local governments and stakeholders. This item affects all agency activities. (Motor Vehicle Fund-State, Highway Safety Fund-State)

RECOMMENDATION SUMMARIES

Agency 405

Department of Transportation

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	7,238.5		3,700,370	3,700,370
Supplemental Changes				
Aviation Underruns			(374)	(374)
Additional Bonding Authority				
Additional Federal Funds			1,000	1,000
Environmental Benefit Cost Assess			(516)	(516)
Project Completion			(105)	(105)
Office of Minority and Women's Business Enterprises			252	252
Workers' Compensation			954	954
Auditor Services			(4)	(4)
Archives and Records Management			15	15
General Administration Facility Services			(1,177)	(1,177)
Attorney General Fees			4	4
Department of Personnel			534	534
Additional Federal Funding				
Reappropriation Adjustment			(16,017)	(16,017)
Murray Morgan Bridge			10,706	10,706
Ferries Smart Card			(200)	(200)
Enhanced Aviation Grant Program			2,000	2,000
Risk Management Fees			(141)	(141)
Ferries Fuel Adjustment			647	647
Ferries Insurance Premium Increase			906	906
Subtotal - Supplemental Changes			(1,516)	(1,516)
Total Proposed Budget	7,238.5		3,698,854	3,698,854
Difference			(1,516)	(1,516)
Percent Change	0.0%		(0.0)%	(0.0)%

*Program C00***DOT - Information Technology****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	241.6		70,770	70,770
Supplemental Changes				
Environmental Benefit Cost Assess			(516)	(516)
Project Completion			(105)	(105)
Workers' Compensation			51	51
Ferries Smart Card			(200)	(200)
Subtotal - Supplemental Changes			(770)	(770)
Total Proposed Budget	241.6		70,000	70,000
Difference			(770)	(770)
Percent Change	0.0%		(1.1)%	(1.1)%

Supplemental Changes**Environmental Benefit Cost Assess**

Funding for an information technology project to develop an environmental benefit cost assessment is removed from the budget. Various activities are affected by this change. (Motor Vehicle Account-State)

Project Completion

The amount of funding needed for three systems development projects that began in the 2001-03 Biennium is less than anticipated when the budget was passed by the Legislature. The funding for the collision reporting system, Washington State ferry revenue collection system, and the environmental compliance data tools project are therefore reduced by a total of \$105,000. Various activities are affected by this change. (Motor Vehicle Account-State)

Workers' Compensation

The 2003 workers' compensation rate was increased after the 2003-05 Transportation Budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. All activities are affected by this change. (Motor Vehicle Fund-State)

Ferries Smart Card

Funding for ongoing smart card costs is decreased to reflect the revised implementation schedule for the regional fare collection project. The Daily Operations of Terminals and Vessels activity is affected by this change. (Puget Sound Ferry Operations Account-State)

RECOMMENDATION SUMMARIES

Program D00

DOT - Facility Maintenance, Operations and Construction - Operating

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	92.4		31,048	31,048
Supplemental Changes				
Workers' Compensation			20	20
Subtotal - Supplemental Changes			20	20
Total Proposed Budget	92.4		31,068	31,068
Difference			20	20
Percent Change	0.0%		0.1%	0.1%

Supplemental Changes

Workers' Compensation

The 2003 workers' compensation rate was increased after the 2003-05 Transportation Budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. All program activities are affected by this change. (Motor Vehicle Fund-State)

*Program F00***DOT - Aviation****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	10.5		6,039	6,039
Supplemental Changes				
Aviation Underruns			(374)	(374)
Enhanced Aviation Grant Program			2,000	2,000
Subtotal - Supplemental Changes			1,626	1,626
Total Proposed Budget	10.5		7,665	7,665
Difference			1,626	1,626
Percent Change	0.0%		26.9%	26.9%

Supplemental Changes**Aviation Underruns**

Forecasted revenues generated by Senate Bill 6056 are lower than the amount included in the 2003-05 transportation budget passed by the Legislature. Appropriations are reduced to reflect the current revenue forecast for the Aeronautics Account and the Search and Rescue Account. This underrun affects the Local Airport Aid activity. (Aeronautics Account-State, Search and Rescue Account-State)

Enhanced Aviation Grant Program

Additional funding is provided for airport assistance grants for the preservation of local public use airports, and to implement planning projects supported by Federal Aviation Administration grants. The Local Airport Aid and the Aviation Planning, Advocacy and Encroachment activities are affected by this change. (Aeronautics Account-State, Aeronautics Account-Federal)

RECOMMENDATION SUMMARIES

Program H00

DOT - Program Delivery Management and Support

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	275.7		49,410	49,410
Supplemental Changes				
Workers' Compensation			46	46
Subtotal - Supplemental Changes			46	46
Total Proposed Budget	275.7		49,456	49,456
Difference			46	46
Percent Change	0.0%		0.1%	0.1%

Supplemental Changes

Workers' Compensation

The 2003 workers' compensation rate was increased after the 2003-05 transportation budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. All activities in the Preservation and Improvements Programs are affected by this change. (Motor Vehicle Fund-State)

*Program I1C***DOT - Improvements - Mobility****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,105.4		717,257	717,257
Supplemental Changes				
Additional Bonding Authority				
Subtotal - Supplemental Changes				
Total Proposed Budget	1,105.4		717,257	717,257
Difference				
Percent Change	0.0%		0.0%	0.0%

Supplemental Changes**Additional Bonding Authority**

Additional bond authority is transferred from the Washington State Ferries Construction program to the Mobility Improvement program. The bond authority will be used for highway projects instead of state cash. Various activities are affected by this change. (Motor Vehicle Account-State, Motor Vehicle Account-Bond)

RECOMMENDATION SUMMARIES

Program I2C

DOT - Improvements - Safety

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	193.3		140,280	140,280
Supplemental Changes				
Reappropriation Adjustment			(11)	(11)
Subtotal - Supplemental Changes			(11)	(11)
Total Proposed Budget	193.3		140,269	140,269
Difference			(11)	(11)
Percent Change	0.0%		(0.0)%	(0.0)%

Supplemental Changes

Reappropriation Adjustment

Actual reappropriations for the current biennium are reduced from the level in the 2003-05 Transportation Budget passed by the Legislature. The Collision Reduction and the Collision Prevention activities are affected by this change. (Motor Vehicle Fund-State)

*Program I3C***DOT - Improvements - Economic Initiatives****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	106.9		103,827	103,827
Supplemental Changes				
Reappropriation Adjustment			(658)	(658)
Subtotal - Supplemental Changes			(658)	(658)
Total Proposed Budget	106.9		103,169	103,169
Difference			(658)	(658)
Percent Change	0.0%		(0.6)%	(0.6)%

Supplemental Changes**Reappropriation Adjustment**

Actual reappropriations for the current biennium are reduced from the level in the 2003-05 Transportation Budget passed by the Legislature. The Bridge Restrictions, Freight and Goods, Trunk System, and various other activities are affected by this change. (Motor Vehicle Fund-Bond)

RECOMMENDATION SUMMARIES

Program 17C

DOT - SR 16 Tacoma Narrows Bridge Project

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	38.0		613,300	613,300
Supplemental Changes				
Reappropriation Adjustment			(9,308)	(9,308)
Subtotal - Supplemental Changes			(9,308)	(9,308)
Total Proposed Budget	38.0		603,992	603,992
Difference			(9,308)	(9,308)
Percent Change	0.0%		(1.5)%	(1.5)%

Supplemental Changes

Reappropriation Adjustment

Actual reappropriations for the current biennium are reduced from the level in the 2003-05 Transportation Budget passed by the Legislature. The Tacoma Narrows Bridge Project activity is affected by this change. (Tacoma Narrows Toll Bridge Account-Bond)

*Program M00***DOT - Highway Maintenance and Operations****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,463.5		289,029	289,029
Supplemental Changes				
Workers' Compensation			322	322
Subtotal - Supplemental Changes			322	322
Total Proposed Budget	1,463.5		289,351	289,351
Difference			322	322
Percent Change	0.0%		0.1%	0.1%

Supplemental Changes**Workers' Compensation**

The 2003 workers' compensation rate was increased after the 2003-05 transportation budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. All program activities are affected by this change. (Motor Vehicle Fund-State)

RECOMMENDATION SUMMARIES

Program P1C

DOT - Preservation - Roadway

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	428.5		255,060	255,060
Supplemental Changes				
Reappropriation Adjustment			(4,247)	(4,247)
Subtotal - Supplemental Changes			(4,247)	(4,247)
Total Proposed Budget	428.5		250,813	250,813
Difference			(4,247)	(4,247)
Percent Change	0.0%		(1.7)%	(1.7)%

Supplemental Changes

Reappropriation Adjustment

Actual reappropriations for the current biennium are reduced from the level in the 2003-05 Transportation Budget passed by the Legislature. The Paving activity is affected by this change. (Multimodal Transportation Account-Federal)

*Program P2C***DOT - Preservation - Structures****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	412.5		325,460	325,460
Supplemental Changes				
Reappropriation Adjustment			2,112	2,112
Murray Morgan Bridge			10,706	10,706
Subtotal - Supplemental Changes			12,818	12,818
Total Proposed Budget	412.5		338,278	338,278
Difference			12,818	12,818
Percent Change	0.0%		3.9%	3.9%

Supplemental Changes**Reappropriation Adjustment**

Actual reappropriations for the current biennium are increased from the level in the 2003-05 Transportation Budget passed by the Legislature. The Structures Preservation and Catastrophic Reduction activities are affected by this change. (Motor Vehicle Account-State, Motor Vehicle Account-Bond, Motor Vehicle Account-Federal)

Murray Morgan Bridge

Funding is provided to mitigate effects on traffic currently served by the Murray Morgan Bridge in the city of Tacoma. The Structures Preservation activity is affected by this change. (Puyallup Tribal Settlement Account-State)

RECOMMENDATION SUMMARIES

Program P3C

DOT - Preservation - Other Facilities

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	143.6		76,459	76,459
Supplemental Changes				
Attorney General Fees			4	4
Reappropriation Adjustment			2,694	2,694
Subtotal - Supplemental Changes			2,698	2,698
Total Proposed Budget	143.6		79,157	79,157
Difference			2,698	2,698
Percent Change	0.0%		3.5%	3.5%

Supplemental Changes

Attorney General Fees

The budget for the Office of the Attorney General was finalized after the 2003-05 Transportation Budget was passed by the Legislature. This item modifies the department's overhead budget to reflect the decisions made in the omnibus budget that resulted in higher charges from the Office of the Attorney General. The Program Support activity is affected by this change. (Motor Vehicle Fund-State)

Reappropriation Adjustment

Actual reappropriations for the current biennium are increased from the level in the 2003-05 Transportation Budget passed by the Legislature. The Unstable Slopes and various other activities are affected by this change. (Motor Vehicle Account-State, Motor Vehicle Account-Bond)

*Program Q00***DOT - Traffic Operations-Operating****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	238.4		38,994	38,994
Supplemental Changes				
Workers' Compensation			55	55
Subtotal - Supplemental Changes			55	55
Total Proposed Budget	238.4		39,049	39,049
Difference			55	55
Percent Change	0.0%		0.1%	0.1%

Supplemental Changes**Workers' Compensation**

The 2003 workers' compensation rate was increased after the 2003-05 transportation budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. The Traffic Operations Management and Support and Traffic Operations Program Operations activities are affected by this change. (Motor Vehicle Fund-State)

RECOMMENDATION SUMMARIES

Program S00

DOT - Transportation Management and Support

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	171.0		27,554	27,554
Supplemental Changes				
Workers' Compensation			36	36
Subtotal - Supplemental Changes			36	36
Total Proposed Budget	171.0		27,590	27,590
Difference			36	36
Percent Change	0.0%		0.1%	0.1%

Supplemental Changes

Workers' Compensation

The 2003 workers' compensation rate was increased after the 2003-05 transportation budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. The Administration activity is affected by this change. (Motor Vehicle Fund-State)

*Program T00***DOT - Transportation Planning, Data and Research****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	191.5		47,899	47,899
Supplemental Changes				
Workers' Compensation			41	41
Subtotal - Supplemental Changes			41	41
Total Proposed Budget	191.5		47,940	47,940
Difference			41	41
Percent Change	0.0%		0.1%	0.1%

Supplemental Changes**Workers' Compensation**

The 2003 workers' compensation rate was increased after the 2003-05 transportation budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. All agency activities are affected by this change. (Motor Vehicle Fund-State)

RECOMMENDATION SUMMARIES

Program U00

DOT - Charges From Other Agencies

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority			61,082	61,082
Supplemental Changes				
Office of Minority and Women's Business Enterprises			252	252
Auditor Services			(4)	(4)
Archives and Records Management			15	15
General Administration Facility Services			(1,177)	(1,177)
Department of Personnel			534	534
Risk Management Fees			(141)	(141)
Subtotal - Supplemental Changes			(521)	(521)
Total Proposed Budget			60,561	60,561
Difference			(521)	(521)
Percent Change			(0.9)%	(0.9)%

Supplemental Changes

Office of Minority and Women's Business Enterprises

The budget for the Office of Minority and Women's Business Enterprises was finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Department's overhead budget to reflect the decisions made in the omnibus budget that resulted in charges from the Office of Minority and Women's Business Enterprises. Almost all agency activities are affected by this change. (Motor Vehicle Account-State)

Auditor Services

The budget for auditor services was finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Department's overhead budget to reflect the decisions made in the omnibus budget that resulted in lower charges for auditor services. Almost all agency activities are affected by this change. (Motor Vehicle Account-State)

Archives and Records Management

The budget for Archives and Records Management was finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Department's overhead budget to reflect the decisions made in the omnibus budget that resulted in higher charges from Archives and Records Management. Almost all agency activities are affected by this change. (Motor Vehicle Account-State)

General Administration Facility Services

The budget for Facility Services was finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Department's overhead budget to reflect the decisions made in the omnibus budget that resulted in lower charges from the Department of General Administration. Almost all agency activities are affected by this change. (Motor Vehicle Account-State)

Department of Personnel

The budget for the Department of Personnel was finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Department of Transportation's overhead budget to reflect the decisions made in the omnibus budget that resulted in higher charges from the Department of Personnel. Almost all agency activities are affected by this change. (Motor Vehicle Account-State)

Risk Management Fees

The appropriated budget for the risk management fees is reduced to reflect the decisions made in the 2003-05 transportation budget that was passed by the Legislature. The remaining portion of the risk management fee will be paid from the non-appropriated transportation equipment fund. Various activities in the Highway Maintenance and Operations Program are affected by this change. (Motor Vehicle Account-State)

RECOMMENDATION SUMMARIES

Program W0C

DOT - Washington State Ferries - Capital

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	127.0		182,596	182,596
Supplemental Changes				
Additional Federal Funding				
Subtotal - Supplemental Changes				
Total Proposed Budget	127.0		182,596	182,596
Difference				
Percent Change	0.0%		0.0%	0.0%

Supplemental Changes

Additional Federal Funding

The Department has received additional federal funding from the Puget Sound Regional Council. These federal grants, instead of state funds, can be used on existing capital construction projects during the 2003-05 Biennium. Therefore the state funding required to complete these projects is not needed. Various activities are affected by this change. (Puget Sound Capital Construction Account-State, Puget Sound Capital Construction Account-Bond, Puget Sound Capital Construction Account-Federal)

*Program X00***DOT - Washington State Ferries****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,638.0		314,700	314,700
Supplemental Changes				
Workers' Compensation			373	373
Ferries Fuel Adjustment			647	647
Ferries Insurance Premium Increase			906	906
Subtotal - Supplemental Changes			1,926	1,926
Total Proposed Budget	1,638.0		316,626	316,626
Difference			1,926	1,926
Percent Change	0.0%		0.6%	0.6%

Supplemental Changes**Workers' Compensation**

The 2003 workers' compensation rate was increased after the 2003-05 Transportation Budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. All program activities are affected by this change. (Puget Sound Ferry Operations Account-State)

Ferries Fuel Adjustment

Funding for fuel costs for the Daily Operations of Terminals and Vessels activity is increased for the ferry fleet based on the latest estimated consumption rates and fuel cost index. (Puget Sound Ferry Operations Account-State)

Ferries Insurance Premium Increase

The insurance premium for ferry terminals and vessels has increased by \$906,000. Premiums are based on recent claims and existing insurance market conditions. The Ferries Operations Management and Support activity is affected by this change. (Puget Sound Ferry Operations Account-State)

RECOMMENDATION SUMMARIES

Program Z00

DOT - Local Programs - Operating

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	46.6		9,626	9,626
Supplemental Changes				
Workers' Compensation			10	10
Subtotal - Supplemental Changes			10	10
Total Proposed Budget	46.6		9,636	9,636
Difference			10	10
Percent Change	0.0%		0.1%	0.1%

Supplemental Changes

Workers' Compensation

The 2003 workers' compensation rate was increased after the 2003-05 transportation budget was passed by the Legislature. This item modifies the agency's budget to pay for the rate increase. The Local Programs Management and Support activity is affected by this change. (Motor Vehicle Fund-State)

*Program Z0C***DOT - Local Programs - Capital****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority			43,960	43,960
Supplemental Changes				
Additional Federal Funds			1,000	1,000
Reappropriation Adjustment			(6,599)	(6,599)
Subtotal - Supplemental Changes			(5,599)	(5,599)
Total Proposed Budget			38,361	38,361
Difference			(5,599)	(5,599)
Percent Change			(12.7)%	(12.7)%

Supplemental Changes**Additional Federal Funds**

Federal funds are added to the Local Programs Investments - Off State System activity to allow a transfer of the federal appropriation to the preservation and improvement program, in exchange for obtaining the same amount in state funding. The state funds can be used by local jurisdictions on road projects, rather than federal funds, which require extensive documentation. (Motor Vehicle Account-Federal)

Reappropriation Adjustment

Actual reappropriations for the current biennium are reduced from the level in the 2003-05 Transportation Budget passed by the Legislature. The Local Programs Investments - Off State System activity is affected by this change. (Motor Vehicle Account-State)

RECOMMENDATION SUMMARIES

Agency 406

County Road Administration Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	16.2		94,184	94,184
Supplemental Changes				
Revolving Fund Correction			9	9
Subtotal - Supplemental Changes			9	9
Total Proposed Budget	16.2		94,193	94,193
Difference			9	9
Percent Change	0.0%		0.0%	0.0%

Supplemental Changes

Revolving Fund Correction

Budgets for agencies that provide support services to state government were finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Board's administration budget to reflect the decisions made in the omnibus budget that resulted in higher charges from these service agencies. (Motor Vehicle Account-State)

*Agency 407***Transportation Improvement Board****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	16.9		200,647	200,647
Supplemental Changes				
Revolving Fund Correction			6	6
Subtotal - Supplemental Changes			6	6
Total Proposed Budget	16.9		200,653	200,653
Difference			6	6
Percent Change	0.0%		0.0%	0.0%

Supplemental Changes**Revolving Fund Correction**

Budgets for agencies that provide support services to state government were finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Board's administration budget to reflect the decisions made in the omnibus budget that resulted in higher charges from these support agencies. (Transportation Improvement Account-State, Urban Arterial Trust Account-State)

RECOMMENDATION SUMMARIES

Agency 408

Marine Employees' Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	2.3		352	352
Supplemental Changes				
Revolving Fund Correction			10	10
Subtotal - Supplemental Changes			10	10
Total Proposed Budget	2.3		362	362
Difference			10	10
Percent Change	0.0%		2.8%	2.8%

Supplemental Changes

Revolving Fund Correction

Budgets for agencies that provide support services to state government were finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Commission's marine labor relations budget to reflect the decisions made in the omnibus budget that resulted in higher charges from these support agencies. (Puget Sound Ferry Operations Account-State)

*Agency 410***Transportation Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	6.0		807	807
Supplemental Changes				
Revolving Fund Correction			7	7
Subtotal - Supplemental Changes			7	7
Total Proposed Budget	6.0		814	814
Difference			7	7
Percent Change	0.0%		0.9%	0.9%

Supplemental Changes**Revolving Fund Correction**

Budgets for agencies that provide support services to state government were finalized after the 2003-05 transportation budget was passed by the Legislature. This item modifies the Commission's transportation management and policy budget to reflect the decisions made in the omnibus budget that resulted in higher charges from these support agencies. (Motor Vehicle Account-State)

RECOMMENDATION SUMMARIES

Agency 411

Freight Mobility Strategic Investment Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	2.0		616	616
Supplemental Changes				
Revolving Fund Correction			9	9
Subtotal - Supplemental Changes			9	9
Total Proposed Budget	2.0		625	625
Difference			9	9
Percent Change	0.0%		1.5%	1.5%

Supplemental Changes

Revolving Fund Correction

Budgets for agencies that provide support services to state government were finalized after the 2003-05 transportation budget was passed by the Legislature. This adjustment modifies the Freight Mobility Strategic Investment Board's budget to reflect the decisions made in the omnibus budget that resulted in higher charges from these support agencies. (Motor Vehicle Account-State)

Agency 350

Superintendent of Public Instruction**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	282.6	10,104,649	1,801,959	11,906,608
Supplemental Changes				
Implement Certificate of Mastery	1.2	1,180		1,180
Learning Assistance Program		7,139		7,139
Reading Initiative	1.5	375		375
Mathematics Initiative	.3	116		116
Institutional Education Adjustment		127		127
Kindergarten Readiness Guidelines		100		100
Alternative Routes to Certification		340		340
Charter Schools #	.8	531		531
Washington Achievers Scholars		250		250
Enrollment/Workload Adjustment, SPI		45,829	251	46,080
Other Fund Adjustments			3,805	3,805
Federal Funding Adjustment			26,327	26,327
K-12 Inflation		(2,447)	(2)	(2,449)
Levy Equalization Update-SPI only		3,281		3,281
Governor's Rural Health Initiative			1,000	1,000
Subtotal - Supplemental Changes	3.7	56,821	31,381	88,202
Total Proposed Budget	286.3	10,161,470	1,833,340	11,994,810
Difference	3.7	56,821	31,381	88,202
Percent Change	1.3%	0.6%	1.7%	0.7%

RECOMMENDATION SUMMARIES

Program 010

SPI - Office of the Superintendent of Public Instruction

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	240.9	41,538	87,652	129,190
Supplemental Changes				
Reading Initiative	.3	61		61
Mathematics Initiative	.3	60		60
Kindergarten Readiness Guidelines		100		100
Alternative Routes to Certification		340		340
Charter Schools #	.8	130		130
Washington Achievers Scholars		250		250
Federal Funding Adjustment			6,298	6,298
Governor's Rural Health Initiative			1,000	1,000
Subtotal - Supplemental Changes	1.3	941	7,298	8,239
Total Proposed Budget	242.1	42,479	94,950	137,429
Difference	1.3	941	7,298	8,239
Percent Change	0.5%	2.3%	8.3%	6.4%

Supplemental Changes

Reading Initiative

The Washington Professional Educator Standards Board (WPESB) will submit a report regarding specific implementation strategies to strengthen the reading initiative by improving teacher knowledge and skill development including: a) teacher preparation program approval standard changes, b) teacher certification requirement changes and the development of new expertise credentials, c) state-established standards to guide the approval of professional development providers and offerings related to reading and mathematics, and d) other related recommendations. The WPESB will submit the report to the Governor, Superintendent of Public Instruction, State Board of Education, and the education and fiscal committees of the Legislature by November 1, 2004. This item affects the Professional Educator Standards Board activity.

Mathematics Initiative

The Washington Professional Educator Standards Board (WPESB) will submit a report regarding specific implementation strategies to strengthen the mathematics initiative by improving teacher knowledge and skill development including: a) teacher preparation program approval standard changes, b) teacher certification requirement changes and the development of new expertise credentials, c) state-established standards to guide the approval of professional development providers and offerings related to reading and mathematics, and d) other related recommendations. The WPESB will submit the report to the Governor, Superintendent of Public Instruction, State Board of Education, and the education and fiscal committees of the Legislature by November 1, 2004. This item affects the Professional Educator Standards Board activity.

Kindergarten Readiness Guidelines

Success in meeting our high expectations for K-12 student performance and reducing the achievement gap is dependent on having more children ready for school when they enter kindergarten. One-time funding is provided for an interdisciplinary team to work with both the early childhood care and education communities to identify the characteristics of schools ready for children and children ready for school. Research-based, voluntary guidelines will then be developed and disseminated to child care providers, pre-school teachers, parents, kindergarten teachers, and the public at large as a guide for developing appropriate curricula and activities to prepare children to enter school. This project will be a coordinated effort between the Governor's Office and the Office of the Superintendent of Public Instruction, and affects the OSPI Readiness to Learn activity.

Alternative Routes to Certification

In order to better meet statewide demand, the Washington Professional Educator Standards Board will expand the alternative routes to teaching program to provide more teacher certification opportunities in areas of the state without current access to an alternative route program. The expansion will add 40 additional internships to the alternative route to teaching program, building upon a federal grant to establish regional teacher preparation centers. This item affects the Certification activity.

Charter Schools #

Funding is provided for the implementation of charter school legislation, which authorizes the establishment of a limited number of charter schools. Based on experiences in other states, charter schools are expected to increase the funded enrollment in basic education programs as home-schooled students and those currently in private schools move to public charter schools. The Office of the Superintendent of Public Instruction will monitor the number of charter schools subject to the limits in the legislation and provide technical assistance to districts and charter schools. This item affects the School Business Services activity.

Washington Achievers Scholars

State funding for the Washington Achievers Scholars program supports community involvement officers who recruit, train and match community volunteer mentors with high school students selected as achiever scholars. After graduating from high school, achiever scholars receive college scholarships funded through private grants. This item affects the Curriculum and Instruction - State Coordination activity.

Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. This item affects various activities. (General Fund-Federal)

Governor's Rural Health Initiative

The Governor has directed several agencies to make a collection of investments designed to improve the rural health infrastructure. Other agencies' investments include: extending the school loan repayment program for students who will practice in regions and specialties experiencing shortages; completing the telemedicine network for all critical access hospitals to ensure that residents across the state have access to specialty services and opportunities to tap into resources available within other health facilities and communities; tripling the size of the program that provides assistance to retired practitioners with medical malpractice premiums and remove barriers they currently experience to volunteering their time and expertise in not-for-profit clinics; and enhancing Medicaid labor and delivery reimbursement rates to assist practitioners with related medical malpractice premium costs and ensure that rural facilities are able to retain at least two maternity care providers on staff.

The Office of Superintendent of Public Instruction will increase the School Nurse Corps Program, which is in the Student Health activity, by \$1 million. The corps of nurses, located at educational service districts, addresses the most needy schools and students. The additional funding will help target the most needy areas and ensure that children with severe health needs can stay in school. (Health Services Account-State)

RECOMMENDATION SUMMARIES

Program 021

SPI - General Apportionment

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		7,945,276		7,945,276
Supplemental Changes				
Charter Schools #		401		401
Enrollment/Workload Adjustment, SPI		20,367		20,367
K-12 Inflation		(1,971)		(1,971)
Subtotal - Supplemental Changes		18,797		18,797
Total Proposed Budget		7,964,073		7,964,073
Difference		18,797		18,797
Percent Change		0.2%		0.2%

Supplemental Changes

Charter Schools

Funding is provided for the implementation of charter school legislation, which authorizes the establishment of a limited number of charter schools. Based on experiences in other states, charter schools are expected to increase the funded enrollment in basic education programs, including the General Apportionment activity, as home-schooled students and those currently in private schools move to public charter schools.

Enrollment/Workload Adjustment, SPI

The public school enrollment growth is higher than anticipated by 1,547 full time equivalent students in the 2003-04 school year (from 960,201 to 961,748) and by 4,556 full time equivalent students in the 2004-05 school year (from 960,795 to 965,351), resulting in a need for a \$20.4 million increase in funding for the General Apportionment activity this biennium.

K-12 Inflation

Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2004 has changed from 1.7 percent to 1.5 percent, and for Fiscal Year 2005 from 1.9 percent to 1.6 percent. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 2003-04 school year. A budget adjustment is made to the General Apportionment activity for the 2004-05 school year, taking into account the lower inflation in the previous year and the coming year. This adjustment results in a budget inflation rate of 1.4 percent for the 2004-05 school year.

*Program 022***SPI - Pupil Transportation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		411,917		411,917
Supplemental Changes				
Enrollment/Workload Adjustment, SPI		23,531		23,531
K-12 Inflation		(238)		(238)
Subtotal - Supplemental Changes		23,293		23,293
Total Proposed Budget		435,210		435,210
Difference		23,293		23,293
Percent Change		5.7%		5.7%

Supplemental Changes**Enrollment/Workload Adjustment, SPI**

School districts are reimbursed for the Student Transportation activity based on eligible miles traveled transporting students to and from school. The reimbursable mileage is 130,910 miles higher than assumed in the original budget for the 2003-04 school year (from 4,661,339 to 4,792,249) and 174,066 miles higher in the 2004-05 school year (from 4,701,966 to 4,876,032). In addition, the payments for school bus depreciation schedules are increasing due to lower interest earnings in districts, an unanticipated sales tax increase, and less savings than anticipated in final bid prices after category and bidding changes. Total depreciation payments are increasing by \$9 million in Fiscal Year 2004 and \$3.4 million in Fiscal Year 2005.

K-12 Inflation

Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2004 has changed from 1.7 percent to 1.5 percent and for Fiscal Year 2005 from 1.9 percent to 1.6 percent. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 2003-04 school year. A budget adjustment is made for the 2004-05 school year, taking into account the lower inflation in the previous year and the coming year. This adjustment results in a budget inflation rate of 1.4 percent for the 2004-05 school year. This adjustment affects the Student Transportation activity.

RECOMMENDATION SUMMARIES

Program 025

SPI - School Food Services

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		6,200	376,861	383,061
Supplemental Changes				
Federal Funding Adjustment			(19,941)	(19,941)
Subtotal - Supplemental Changes			(19,941)	(19,941)
Total Proposed Budget		6,200	356,920	363,120
Difference			(19,941)	(19,941)
Percent Change		0.0%	(5.3)%	(5.2)%

Supplemental Changes

Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs, including this adjustment for the School Food Services activity. (General Fund-Federal)

*Program 026***SPI - Special Education****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1.5	861,198	409,637	1,270,835
Supplemental Changes				
Enrollment/Workload Adjustment, SPI		1,389	25	1,414
Federal Funding Adjustment			15,287	15,287
K-12 Inflation		(208)	(2)	(210)
Subtotal - Supplemental Changes		1,181	15,310	16,491
Total Proposed Budget	1.5	862,379	424,947	1,287,326
Difference		1,181	15,310	16,491
Percent Change	0.0%	0.1%	3.7%	1.3%

Supplemental Changes**Enrollment/Workload Adjustment, SPI**

Enrollment in Special Education programs is higher than anticipated in the biennial budget by 114 students in the 2003-04 school year (from 118,406 to 118,520) and by 345 students in the 2004-05 school year (from 118,377 to 118,722), increasing the amounts needed for the Special Education activity. (General Fund-State, General Fund-Federal)

Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. These estimates affect the Special Education activity. (General Fund-Federal)

K-12 Inflation

Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2004 has changed from 1.7 percent to 1.5 percent and for Fiscal Year 2005 from 1.9 percent to 1.6 percent. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 2003-04 school year. A budget adjustment is made for the 2004-05 school year, taking into account the lower inflation in the previous year and the coming year. This adjustment results in a budget inflation rate of 1.4 percent for the 2004-05 school year. These adjustments affect the Special Education activity. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 029

SPI - Levy Equalization

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		329,309		329,309
Supplemental Changes				
Levy Equalization Update-SPI only		3,281		3,281
Subtotal - Supplemental Changes		3,281		3,281
Total Proposed Budget		332,590		332,590
Difference		3,281		3,281
Percent Change		1.0%		1.0%

Supplemental Changes

Levy Equalization Update-SPI only

Higher than expected assessed property values, local levy bases, and increased voter approval of local levies have combined to increase the amounts needed for the Local Effort Assistance activity. In addition, a rule change requiring the use of actual direct federal revenues, rather than district-estimated direct federal revenues, in the levy base increases Local Effort Assistance allocations for Fiscal Year 2005 by \$362,000.

*Program 032***SPI - Elementary & Secondary School Improvement****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority			46,198	46,198
Supplemental Changes				
Federal Funding Adjustment			(3,381)	(3,381)
Subtotal - Supplemental Changes			(3,381)	(3,381)
Total Proposed Budget			42,817	42,817
Difference			(3,381)	(3,381)
Percent Change			(7.3)%	(7.3)%

Supplemental Changes**Federal Funding Adjustment**

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. These estimates affect numerous activities, including Readiness to Learn, Student Health, and Certification. (General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 035

SPI - Institutional Education

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		37,688		37,688
Supplemental Changes				
Institutional Education Adjustment		127		127
Enrollment/Workload Adjustment, SPI		(1,202)		(1,202)
K-12 Inflation		(3)		(3)
Subtotal - Supplemental Changes		(1,078)		(1,078)
Total Proposed Budget		36,610		36,610
Difference		(1,078)		(1,078)
Percent Change		(2.9)%		(2.9)%

Supplemental Changes

Institutional Education Adjustment

OSPI is under court order to improve the education program for approximately 24 inmates under the age of 18 at Clallam Bay Correctional Center. The institutional education allocation is insufficient to cover circumstances of prison inmates. For example, under the court order, individuals in segregation must continue to receive an educational program during their segregation, which increases the staffing requirements in this program. One-time funding is provided to the Institutional Education activity to supplement the 2003-04 school year allocation for institutional education to Educational Service District 114, which provides the educational program for these inmates at Clallam Bay Correctional Center. Beginning in the 2004-05 school year, these inmates will be transferred to a Juvenile Rehabilitation Administration facility.

Enrollment/Workload Adjustment, SPI

Total enrollment in the Institutional Education activity is lower than anticipated in the original budget, decreasing by 77 in the 2003-04 school year (from 2,063 to 1,986) and by 106 in 2004-05 (from 2,092 to 1,986). Among the institutions, enrollment is higher than expected in residential habilitation centers for children with disabilities and state group homes operated by the Juvenile Rehabilitation Administration (JRA), while enrollment is lower than expected in JRA institutions, Department of Corrections facilities, and county detention centers.

K-12 Inflation

Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2004 has changed from 1.7 percent to 1.5 percent, and for Fiscal Year 2005 from 1.9 percent to 1.6 percent. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 2003-04 school year. A budget adjustment is made to the Institutional Education activity for the 2004-05 school year, taking into account the lower inflation in the previous year and the coming year. This adjustment results in a budget inflation rate of 1.4 percent for the 2004-05 school year.

*Program 045***SPI - Education of Highly Capable Students****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		13,211		13,211
Supplemental Changes				
Enrollment/Workload Adjustment, SPI		52		52
Subtotal - Supplemental Changes		52		52
Total Proposed Budget		13,263		13,263
Difference		52		52
Percent Change		0.4%		0.4%

Supplemental Changes**Enrollment/Workload Adjustment, SPI**

Funding for the Highly Capable Student Education activity is provided for up to 2 percent of each district's K-12 enrollment. To account for the higher than expected K-12 enrollment, funding for the gifted program is increased.

RECOMMENDATION SUMMARIES

Program 050

SPI - Student Achievement Program

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority			398,203	398,203
Supplemental Changes				
Enrollment/Workload Adjustment, SPI			229	229
Other Fund Adjustments			3,805	3,805
Subtotal - Supplemental Changes			4,034	4,034
Total Proposed Budget			402,237	402,237
Difference			4,034	4,034
Percent Change			1.0%	1.0%

Supplemental Changes

Enrollment/Workload Adjustment, SPI

The Student Achievement Fund activity provides funding to school districts based on prior school year FTE students in the district. Enrollments in the 2002-03 school year were lower than expected. This decrease is more than off-set by higher than expected enrollments for the 2003-04 school year, resulting in a net increase in the allocation. (Student Achievement Fund-State)

Other Fund Adjustments

Lottery revenues to finish Fiscal Year 2003 transfers to the Student Achievement Fund were not finalized until October, at which time this \$3.8 million was allocated to school districts as an adjustment to the 2002-03 school year allocation. The appropriation authority for the Student Achievement Fund activity is adjusted to reflect this change. (Student Achievement Fund-State)

Program 055

SPI - Education Reform**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	40.2	74,767	129,362	204,129
Supplemental Changes				
Implement Certificate of Mastery	1.2	1,180		1,180
Reading Initiative	1.3	314		314
Mathematics Initiative		56		56
Enrollment/Workload Adjustment, SPI		(275)		(275)
Federal Funding Adjustment			35,685	35,685
Subtotal - Supplemental Changes	2.5	1,275	35,685	36,960
Total Proposed Budget	42.7	76,042	165,047	241,089
Difference	2.5	1,275	35,685	36,960
Percent Change	6.1%	1.7%	27.6%	18.1%

Supplemental Changes**Implement Certificate of Mastery**

The Washington Assessment of Student Learning (WASL) system is augmented to implement the 2008 Certificate of Mastery graduation requirement. The Certificate of Mastery will require students to pass the 10th grade WASL in three subject areas (reading, writing, and mathematics) or demonstrate mastery by an alternate method when a standardized assessment is a barrier to demonstrating their mastery of education standards. To implement the graduation requirement, the Office of the Superintendent of Public Instruction will offer Spring and Fall WASL retake opportunities for high school students, develop alternate assessments and/or an appeals procedure, review the alignment between the assessments and our learning standards, and review the appropriateness of assessment cut scores which determine whether or not a student meets the standards. This item affects the Assessment activity.

Reading Initiative

The Office of the Superintendent of Public Instruction (OSPI) will disseminate information on essential components of comprehensive, school-based reading programs and evaluate textbooks and other instructional materials to determine the extent they are aligned with the state standards. A scorecard with the analysis will be widely available and will inform school district decision-makers regarding curriculum purchases. This item affects the Curriculum and Instruction - State Coordination activity.

Mathematics Initiative

OSPI will evaluate mathematics textbooks and other instructional materials to determine the extent they are aligned with the state standards. A scorecard with the analysis will be widely available and will inform school district decision-makers regarding curriculum purchases. This item increases the Curriculum and Instruction - State Coordination activity.

Enrollment/Workload Adjustment, SPI

One hundred thirty teachers attained certification from the National Board for Professional Teaching Standards in 2003, bringing the total number of National Board certified teachers in Washington classrooms to 344. This total is lower than expected, resulting in a savings of \$275,000 in the National Board for Professional Teaching Standards activity.

RECOMMENDATION SUMMARIES

Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs, including Education Reform programs for assessments, professional development, and school improvement. This item affects various activities, including Assessment and Professional Development. (General Fund-Federal)

*Program 060***SPI - Transitional Bilingual Instruction****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		101,853	46,309	148,162
Supplemental Changes				
Enrollment/Workload Adjustment, SPI		3,181		3,181
Federal Funding Adjustment			(1,765)	(1,765)
Subtotal - Supplemental Changes		3,181	(1,765)	1,416
Total Proposed Budget		105,034	44,544	149,578
Difference		3,181	(1,765)	1,416
Percent Change		3.1%	(3.8)%	1.0%

Supplemental Changes**Enrollment/Workload Adjustment, SPI**

Enrollment in transitional bilingual programs is higher than expected in the original operating budget. Enrollment for the 2003-04 school year is increased by 2,112 students from 69,280 to 71,391. For the 2004-05 school year, enrollment is increased by 3,005 from 72,369 to 75,374. This adjustment affects the Bilingual Education activity.

Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. These estimates affect the Bilingual Education activity. (General Fund-Federal)

RECOMMENDATION SUMMARIES

Program 061

SPI - Learning Assistance Program

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		129,436	307,178	436,614
Supplemental Changes				
Learning Assistance Program		6,886		6,886
Enrollment/Workload Adjustment, SPI		(1,950)		(1,950)
Federal Funding Adjustment			(5,856)	(5,856)
K-12 Inflation		(27)		(27)
Subtotal - Supplemental Changes		4,909	(5,856)	(947)
Total Proposed Budget		134,345	301,322	435,667
Difference		4,909	(5,856)	(947)
Percent Change		3.8%	(1.9)%	(0.2)%

Supplemental Changes

Learning Assistance Program

The current Learning Assistance Program (LAP) provides funding to school districts based on the percentage of students who score in the lowest quartile on nationally normed tests, with a small percentage of funding allocated to districts with above average concentrations of poverty. Beginning in the 2004-05 school year, the weighting on the poverty factor is increased from 0.223 to 0.55, increasing the percentage of LAP funding that is based on poverty from less than 10 percent to approximately 20 percent of total funds. This formula change raises the number of eligible students, increasing the state funding for the Learning Assistance activity.

Enrollment/Workload Adjustment, SPI

The Learning Assistance Program (LAP) provides funds to school districts based on the proportion of low-achieving students in each school district, defined by the percentage of students scoring in the lowest percentile on nationally normed tests. Districts also receive LAP funds based on the percentage of students, beyond the statewide average, who receive free and reduced price lunch (FRPL). K-12 enrollment is higher than anticipated, increasing the base on which these calculations are made. However, the percentage of students in the lowest quartile of elementary and middle grade tests is lower than expected and the measure of FRPL is decreasing, resulting in a net savings of \$2 million in the Learning Assistance activity.

Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. These revised estimates affect the Learning Assistance activity. (General Fund-Federal)

K-12 Inflation

Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2004 has changed from 1.7 percent to 1.5 percent, and for Fiscal Year 2005 from 1.9 percent to 1.6 percent. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 2003-04 school year. A budget adjustment is made to the Learning Assistance activity for the 2004-05 school year taking into account the lower inflation in the previous year and the coming year. This adjustment results in a budget inflation rate of 1.4 percent for the 2004-05 school year.

*Program 714***SPI - Compensation Adjustments****Recommendation Summary***Dollars in Thousands*

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		145,181	559	145,740
Supplemental Changes				
Learning Assistance Program		253		253
Enrollment/Workload Adjustment, SPI		736	(3)	733
Subtotal - Supplemental Changes		989	(3)	986
Total Proposed Budget		146,170	556	146,726
Difference		989	(3)	986
Percent Change		0.7%	(0.5)%	0.7%

Supplemental Changes**Learning Assistance Program**

This formula change in the Learning Assistance Program activity raises the number of eligible students, increasing the number of teachers and other staff funded by the state. The allocation for health benefit increases and beginning teacher salary increases is adjusted to account for the additional state-funded staff.

Enrollment/Workload Adjustment, SPI

Since enrollment is higher than expected, there is an increase in the number of teachers and other staff funded by the state, resulting in an increased cost for providing the health benefit increases and beginning teacher salary increases included in the 2003-05 biennial budget. This item affects the General Apportionment activity and various other activities associated with categorical program allocations. (General Fund-State, General Fund-Federal)

RECOMMENDATION SUMMARIES

Agency 343

Higher Education Coordinating Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	77.9	312,297	17,343	329,640
Supplemental Changes				
High Demand Enrollments		10,000		10,000
Promise Scholarship		6,738		6,738
Washington Center Scholarships		160		160
Health Insurance Premiums		99	14	113
Rural Health Initiative			2,000	2,000
Subtotal - Supplemental Changes		16,997	2,014	19,011
Total Proposed Budget	77.9	329,294	19,357	348,651
Difference		16,997	2,014	19,011
Percent Change	0.0%	5.4%	11.6%	5.8%

Supplemental Changes

High Demand Enrollments

This investment in high demand enrollments will increase student access to high demand fields and help ensure that we create enough high-skill graduates to fill the needs of Washington's businesses. Funding is provided for enriched state subsidies that colleges and universities compete to receive. This item affects the High Demand Enrollments activity.

Promise Scholarship

The Promise Scholarship program is enhanced in order to restore the grant award to 80 percent of community college tuition and fees. Restoring the Promise Scholarship award to a meaningful level will help lower and middle class students attend colleges and universities in Washington State. This item affects the Student Financial Aid Programs activity.

Washington Center Scholarships

An appropriation of \$160,000 in Fiscal Year 2005 will provide \$4,000 scholarships to 40 Washington college students to participate in full-time, semester-long internships in Washington, DC. Students will apply to the Washington Center, which will place students in various agencies in Washington, DC related to the students' program majors and public sector career interests. These scholarships, distributed by the Higher Education Coordinating Board, ensure that all students are eligible to participate by offsetting housing and living expenses. This item affects the Student Financial Aid Programs activity.

Health Insurance Premiums

Due to an error in the 2003-05 budget production process, no health insurance costs were budgeted to the Higher Education Coordinating Board (HECB), as they were to every other state agency. Asking the HECB to pay for these costs from local funds could impact service to Washington's higher education students, therefore funding is provided to correct the oversight. This item affects all agency activities. (General Fund-State, General Fund-Federal)

Rural Health Initiative

The Governor has directed several agencies to make a collection of investments designed to improve the rural health infrastructure. Other agencies' investments include: completing the telemedicine network for all Critical Access Hospitals to ensure that residents across the state have access to specialty services and have opportunities to tap into resources available within other health facilities and communities; tripling the size of the program that provides assistance to retired practitioners with medical malpractice premiums and removing barriers they currently experience to volunteering their time and expertise in not-for-profit clinics; extending the school nurse corps; and enhancing Medicaid labor and delivery reimbursement rates to assist practitioners with related medical malpractice premium costs and ensure that rural facilities are able to retain at least two maternity care providers on staff.

The Higher Education Coordinating Board will expand the Health Professional Scholarships and Loan Repayment Program, which is linked with the Department of Health, Office of Community and Rural Health. An increase of \$2 million will triple the size of the program and expand awards to assist with recruitment and retention of providers in underserved areas. (Health Services Account-State)

RECOMMENDATION SUMMARIES

Agency 360

University of Washington

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	19,684.1	631,212	2,993,521	3,624,733
Supplemental Changes				
General Enrollments		2,377		2,377
High Demand - Research Match		1,500		1,500
Subtotal - Supplemental Changes		3,877		3,877
Total Proposed Budget	19,684.1	635,089	2,993,521	3,628,610
Difference		3,877		3,877
Percent Change	0.0%	0.6%	0.0%	0.1%

Supplemental Changes

General Enrollments

This investment in state-supported general enrollment slots is crucial for responding to the demographic pressure on the higher education system and maintaining access to the state's higher education institutions. Funding is provided to expand state-supported general enrollment slots by 577 student full-time equivalents. This item affects the Instruction activity.

High Demand - Research Match

An additional investment is provided as a state match to attract or retain federal research grants in high-demand and technologically advanced fields. This item affects the Research activity.

*Agency 365***Washington State University****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	5,593.8	375,219	489,360	864,579
Supplemental Changes				
General Enrollments		1,413		1,413
High Demand - Research Match		1,500		1,500
Subtotal - Supplemental Changes		2,913		2,913
Total Proposed Budget	5,593.8	378,132	489,360	867,492
Difference		2,913		2,913
Percent Change	0.0%	0.8%	0.0%	0.3%

Supplemental Changes**General Enrollments**

This investment in state-supported general enrollment slots is crucial for responding to the demographic pressure on the higher education system and maintaining access to the state's higher education institutions. Funding is provided to expand state-supported general enrollment slots by 288 student full-time equivalents. This item affects the Instruction activity.

High Demand - Research Match

A new investment is provided as a state match to attract or retain federal research grants in high-demand and technologically advanced fields. This item affects the Research activity.

RECOMMENDATION SUMMARIES

Agency 370

Eastern Washington University

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,143.4	83,044	77,155	160,199
Supplemental Changes				
General Enrollments		314		314
Subtotal - Supplemental Changes		314		314
Total Proposed Budget	1,143.4	83,358	77,155	160,513
Difference		314		314
Percent Change	0.0%	0.4%	0.0%	0.2%

Supplemental Changes

General Enrollments

This investment in state-supported general enrollment slots is crucial for responding to the demographic pressure on the higher education system and maintaining access to the state's higher education institutions. Funding is provided to expand state-supported general enrollment slots by 66 student full-time equivalents. This item affects the Instruction activity.

*Agency 375***Central Washington University****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,119.3	81,156	99,880	181,036
Supplemental Changes				
General Enrollments		308		308
Subtotal - Supplemental Changes		308		308
Total Proposed Budget	1,119.3	81,464	99,880	181,344
Difference		308		308
Percent Change	0.0%	0.4%	0.0%	0.2%

Supplemental Changes**General Enrollments**

This investment in state-supported general enrollment slots is crucial for responding to the demographic pressure on the higher education system and maintaining access to the state's higher education institutions. Funding is provided to expand state-supported general enrollment slots by 68 student full-time equivalents. This item affects the Instruction activity.

RECOMMENDATION SUMMARIES

Agency 376

The Evergreen State College

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	634.8	46,449	44,171	90,620
Supplemental Changes				
General Enrollments		175		175
Charter School Study		90		90
Subtotal - Supplemental Changes		265		265
Total Proposed Budget	634.8	46,714	44,171	90,885
Difference		265		265
Percent Change	0.0%	0.6%	0.0%	0.3%

Supplemental Changes

General Enrollments

This investment in state-supported general enrollment slots is crucial for responding to the demographic pressure on the higher education system and maintaining access to the state's higher education institutions. Funding is provided to expand state-supported general enrollment slots by 25 student full-time equivalents. This item affects the Instruction activity.

Charter School Study

The Charter School bill requires the Institute for Public Policy to conduct a study of the effectiveness of charter schools. Funding is provided for that study. This item affects the Public Service activity.

*Agency 380***Western Washington University****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,604.8	109,182	144,976	254,158
Supplemental Changes				
General Enrollments		413		413
Subtotal - Supplemental Changes		413		413
Total Proposed Budget	1,604.8	109,595	144,976	254,571
Difference		413		413
Percent Change	0.0%	0.4%	0.0%	0.2%

Supplemental Changes**General Enrollments**

This investment in state-supported general enrollment slots is crucial for responding to the demographic pressure on the higher education system and maintaining access to the state's higher education institutions. Funding is provided to expand state-supported general enrollment slots by 87 student full-time equivalents. This item affects the Instruction activity.

RECOMMENDATION SUMMARIES

Agency 699

Community and Technical College System

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	13,927.2	1,025,814	866,799	1,892,613
Supplemental Changes				
Use of Administrative Contingency Account		(2,000)	2,000	
High Demand Enrollments		10,000		10,000
General Enrollments		5,000		5,000
Contractual Obligation Adjustment		3,700		3,700
Subtotal - Supplemental Changes		16,700	2,000	18,700
Total Proposed Budget	13,927.2	1,042,514	868,799	1,911,313
Difference		16,700	2,000	18,700
Percent Change	0.0%	1.6%	0.2%	1.0%

Supplemental Changes

Use of Administrative Contingency Account

The availability of federal Reed Act dollars allows for a portion of Adult Basic Education programs in the community and technical college system to be shifted to the Administrative Contingency Account in order to maximize funding efficiencies. This item affects the Basic Skills Education activity. (General Fund-State, Administrative Contingency Account)

High Demand Enrollments

Funding is provided to expand the State Board for Community and Technical College's competitive grant program for high demand enrollments in areas like enology/viticulture and health sciences. Funds may also be spent on worker retraining enrollment slots to help more out-of-work citizens retool and rejoin the workforce. This item affects the Instruction activity.

General Enrollments

This investment in state-supported general enrollment slots is crucial for responding to the demographic pressure on the higher education system and maintaining access to the state's higher education institutions. Funding is provided to expand state-supported general enrollment slots by 1,389 student full-time equivalents. This item affects the Instruction activity.

Contractual Obligation Adjustment

As a result of the Washington State Supreme Court's ruling in the class action lawsuit of Mader v. the Washington Health Care Authority, Washington community and technical colleges are now required to provide health benefits during the summer months for part-time faculty who have worked half-time or more during the academic year. These funds cover the increase in eligible health care beneficiaries and ensures compliance with the court ruling. This item affects several activities.

*Agency 351***State School For The Blind****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	82.2	9,255	1,335	10,590
Supplemental Changes				
Distance Learning	1.0	200		200
Subtotal - Supplemental Changes	1.0	200		200
Total Proposed Budget	83.2	9,455	1,335	10,790
Difference	1.0	200		200
Percent Change	1.2%	2.2%	0.0%	1.9%

Supplemental Changes**Distance Learning**

One-time funding is provided to implement new technology developed by the Digital Learning Commons. This project will enable place-bound blind students (and their parents) to receive instruction remotely, without the expense of traveling to Vancouver for on-campus education programs. It will also be useful to teachers around the state who need access to resources and expertise in the instruction of the blind. This item affects the Off-Campus Services to Students/Districts activity.

RECOMMENDATION SUMMARIES

Agency 713

State Employee Compensation

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		48,284	36,445	84,729
Supplemental Changes				
Reduce Health Insurance		(4,695)	(2,895)	(7,590)
Subtotal - Supplemental Changes		(4,695)	(2,895)	(7,590)
Total Proposed Budget		43,589	33,550	77,139
Difference		(4,695)	(2,895)	(7,590)
Percent Change		(9.7)%	(7.9)%	(9.0)%

Supplemental Changes

Reduce Health Insurance

The actual cost of health care coverage provided through the Public Employees Benefits Board is less than anticipated in the 2003-05 biennial budget. The resulting fund balance is used to lower planned cost increases for state agencies and employees. This item reflects the agency savings by reducing funding in agency budgets by \$8.51 per month per employee. (General Fund-State and various other funds)

*Agency 010***Bond Retirement and Interest****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		1,249,251	542,652	1,791,903
Supplemental Changes				
Additional Bond Sales		1,952	1,531	3,483
Other Rate Adjustments		(7,300)	2,619	(4,681)
Subtotal - Supplemental Changes		(5,348)	4,150	(1,198)
Total Proposed Budget		1,243,903	546,802	1,790,705
Difference		(5,348)	4,150	(1,198)
Percent Change		(0.4)%	0.8%	(0.1)%

Supplemental Changes**Additional Bond Sales**

Funding is provided for debt service costs and related bond sale expenses for additional, authorized general obligation and Gardner-Evans bonds. Projects include high priority education, public safety and water resource facilities. (General Fund-State, Gardner-Evans Higher Education Construction Account, State Building Construction Account)

Other Rate Adjustments

Appropriations for anticipated costs associated with debt service and other debt-related expenditures are adjusted to reflect current rate assumptions. (General Fund-State, Transportation 2003 Account, Gardner-Evans Higher Education Construction Account)

RECOMMENDATION SUMMARIES

Agency 076

Special Appropriations to the Governor

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		18,249	62,766	81,015
Supplemental Changes				
Washington Integrated Justice Information Board			150	150
Help America Vote Act		3,140		3,140
Home Care Worker Wage and Benefit Package		24,022	23,314	47,336
Home Care Worker Contract Administration		1,329	1,282	2,611
Disaster Response Account		1,000		1,000
Initiative 776 Costs			3,300	3,300
Patient Compensation Account #			10,000	10,000
K-20 Telecommunications Network		(1,154)		(1,154)
Self-Insurance Premiums			(10,638)	(10,638)
Subtotal - Supplemental Changes		28,337	27,408	55,745
Total Proposed Budget		46,586	90,174	136,760
Difference		28,337	27,408	55,745
Percent Change		155.3%	43.7%	68.8%

Supplemental Changes

Washington Integrated Justice Information Board

Funds are provided to support the Program Office of the Washington Integrated Justice Information Board and to implement the summary offender profile application providing comprehensive criminal justice data to practitioners statewide. This item support the criminal records management activity. (Public Safety and Education Account-State)

Help America Vote Act

A General Fund-State appropriation is made to the Election Account for use as matching funds for federal dollars. The funding in the Election Account will be used by the Voter Registration and Help America Vote Act Local Grant Program activities in the Office of the Secretary of State.

Home Care Worker Wage and Benefit Package

The Home Care Quality Authority negotiated a wage and benefit agreement with the Service Employees International Union for legislative approval. The agreement includes a 50-cent salary increase effective October 1, 2004; health benefits effective January 1, 2005; and workers' compensation coverage effective October 1, 2004. (General Fund-State, General Fund-Federal)

Home Care Worker Contract Administration

If the Legislature approves the Home Care Quality Authority-Service Employees International Union wage and benefit agreement, both the Department of Social and Health Services (DSHS) and the Home Care Quality Authority will incur administrative costs to implement the contract terms. Administrative costs will include one-time reprogramming and ongoing maintenance of the DSHS payment system, risk management for workers' compensation insurance coverage, training, grievance and resolution activity, and other related activities. (General Fund-State, General Fund-Federal)

Disaster Response Account

General Fund-State dollars are necessary to provide funding for response to and recovery from the impacts of the October 2003 floods.

Initiative 776 Costs

Funds are provided for the administrative costs associated with refunds pursuant to Initiative 776. Motor Vehicle Account-State funds are provided solely for costs associated with the repeal of the gross vehicle weight fee increases. (Motor Vehicle Account-State, Motor Vehicle Account-Private/Local)

Patient Compensation Account #

Health Services Account dollars are provided for capitalization of a new Patient Compensation Account to assist in payment of judgments in excess of providers' mandated levels of medical malpractice insurance coverage. (Health Services Account)

K-20 Telecommunications Network

Adjustments to the acquisition strategy have produced one-time equipment replacement savings for the K-20 Education Telecommunications Network activity.

Self-Insurance Premiums

Savings are projected for self-insurance premiums in dedicated funds and accounts in the same amount as the General Fund-State reduction included in the 2003-05 enacted budget. (various other funds)

RECOMMENDATION SUMMARIES

Agency 707

Sundry Claims

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		18	365	383
Supplemental Changes				
Self-Defense Claims		45		45
Deer and Elk Damage Claims			1	1
Subtotal - Supplemental Changes		45	1	46
Total Proposed Budget		63	366	429
Difference		45	1	46
Percent Change		250.0%	0.3%	12.0%

Supplemental Changes

Self-Defense Claims

On the recommendation of the Office of Risk Management, payment is made under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self defense.

Deer and Elk Damage Claims

On the recommendation of the Office of Risk Management, payment is made under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (State Wildlife Account)

2003-05 Biennial Budget, 2004 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2003-05 Biennial Budget		2004 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
State of Washington Totals						
Legislative	129,628	138,768	1,400	1,400	131,028	140,168
Judicial	78,492	162,179	2,317	7,305	80,809	169,484
Governmental Operations	411,360	2,726,788	2,510	269,262	413,870	2,996,050
Human Services	7,933,222	19,457,885	30,361	300,361	7,963,583	19,758,246
Natural Resources and Recreation	297,097	1,092,849	38,774	43,786	335,871	1,136,635
Transportation	48,834	4,575,375	133	5,271	48,967	4,580,646
Public Schools	10,104,649	11,906,608	56,821	88,202	10,161,470	11,994,810
Higher Education	2,667,195	7,400,500	41,787	45,801	2,708,982	7,446,301
All Other Education	39,932	99,594	200	200	40,132	99,794
All Other Expenditures and Appropriations	1,370,972	2,037,676	18,339	47,003	1,389,311	2,084,679
Total	23,081,381	49,598,222	192,642	808,591	23,274,023	50,406,813
Legislative and Judicial Agencies						
House of Representatives	56,342	56,387			56,342	56,387
Senate	45,174	45,219			45,174	45,219
Joint Legislative Audit and Review Committee	3,344	3,344			3,344	3,344
Legislative Transportation Committee		2,374				2,374
Legislative Evaluation and Accountability Program Committee	3,455	3,455			3,455	3,455
Office of the State Actuary		2,616				2,616
Joint Legislative Systems Committee	13,507	15,320	1,400	1,400	14,907	16,720
Statute Law Committee	7,806	10,053			7,806	10,053
Supreme Court	11,127	11,127	207	207	11,334	11,334
Law Library	4,095	4,095	908	908	5,003	5,003
Court of Appeals	25,257	25,257	265	265	25,522	25,522
Commission on Judicial Conduct	1,828	1,828			1,828	1,828
Office of Administrator for the Courts	34,635	105,927	937	5,537	35,572	111,464
Office of Public Defense	1,550	13,945		388	1,550	14,333
Total	208,120	300,947	3,717	8,705	211,837	309,652
Governmental Operations						
Office of the Governor	7,549	12,543	335	335	7,884	12,878
Office of Lieutenant Governor	1,098	1,098			1,098	1,098
Public Disclosure Commission	3,561	3,561			3,561	3,561
Office of the Secretary of State	41,428	81,907	(6,038)	19,906	35,390	101,813
Governor's Office of Indian Affairs	467	467	17	17	484	484
Commission on Asian Pacific American Affairs	388	388			388	388
Office of State Treasurer		13,149		314		13,463
Office of State Auditor	1,403	45,133			1,403	45,133
Commission on Salaries for Elected Officials	240	240	64	64	304	304
Office of Attorney General	8,166	182,263	292	1,758	8,458	184,021
Caseload Forecast Council	1,277	1,277			1,277	1,277
Department of Financial Institutions		28,442				28,442
Department of Community, Trade, and Economic Development	122,260	396,606	6,255	42,682	128,515	439,288
Economic and Revenue Forecast Council	1,037	1,037			1,037	1,037
Office of Financial Management	25,045	75,318	250	17,674	25,295	92,992
Office of Administrative Hearings		24,669		4,227		28,896
Department of Personnel		42,575				42,575
State Lottery		705,818				705,818
Washington State Gambling Commission		27,284				27,284
Commission on Hispanic Affairs	408	408			408	408
Commission On African-American Affairs	397	397			397	397
Personnel Appeals Board		1,725				1,725
Department of Retirement Systems		48,572				48,572

RECOMMENDATION SUMMARIES

2003-05 Biennial Budget, 2004 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2003-05 Biennial Budget		2004 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
State Investment Board	100	13,362			100	13,362
Public Printer				66,000		66,000
Department of Revenue	164,560	175,679			164,560	175,679
Board of Tax Appeals	2,129	2,129			2,129	2,129
Municipal Research Council		4,621				4,621
Office of Minority and Women's Business Enterprises		1,990				1,990
Department of General Administration	468	129,245		2,386	468	131,631
Department of Information Services	2,000	207,447	1,000	1,500	3,000	208,947
Office of Insurance Commissioner		32,938		702		33,640
Board of Accountancy		1,985				1,985
Forensic Investigations Council		274				274
Horse Racing Commission		4,609				4,609
Liquor Control Board	2,909	159,608		1,076	2,909	160,684
Utilities and Transportation Commission		29,774		722		30,496
Board for Volunteer Firefighters		733				733
Military Department	16,709	185,462	335	109,010	17,044	294,472
Public Employment Relations Commission	4,758	7,300			4,758	7,300
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board				889		889
Growth Management Hearings Office	3,003	3,003			3,003	3,003
State Convention and Trade Center		71,752				71,752
Total	411,360	2,726,788	2,510	269,262	413,870	2,996,050
Human Services Agencies						
Washington State Health Care Authority		538,159		2,011		540,170
Human Rights Commission	4,775	6,384			4,775	6,384
Board of Industrial Insurance Appeals		30,149		150		30,299
Criminal Justice Training Commission		18,686				18,686
Department of Labor and Industries	11,723	472,399	285	1,040	12,008	473,439
Indeterminate Sentence Review Board	1,960	1,960			1,960	1,960
Department of Social and Health Services	6,605,069	15,840,269	(48,765)	170,946	6,556,304	16,011,215
Home Care Quality Authority	671	671	160	160	831	831
Department of Health	118,367	729,616	689	48,107	119,056	777,723
Department of Veterans Affairs	21,576	78,593	75	233	21,651	78,826
Department of Corrections	1,164,069	1,199,364	77,917	73,261	1,241,986	1,272,625
Department of Services for the Blind	3,534	19,685			3,534	19,685
Sentencing Guidelines Commission	1,478	1,478			1,478	1,478
Employment Security Department		520,472		4,453		524,925
Total	7,933,222	19,457,885	30,361	300,361	7,963,583	19,758,246
Social and Health Service Programs						
Children's Administration	464,034	910,037	(1,653)	(6,960)	462,381	903,077
Juvenile Rehabilitation	146,792	204,951	(1,701)	(6,206)	145,091	198,745
Mental Health	674,685	1,229,646	3,227	20,915	677,912	1,250,561
Developmental Disabilities	678,562	1,291,739	(6,055)	12,485	672,507	1,304,224
Long Term Care	1,128,314	2,314,357	(33,879)	(16,640)	1,094,435	2,297,717
Economic Services Administration	815,547	2,059,185	66,131	84,443	881,678	2,143,628
Alcohol And Substance Abuse	80,640	232,354	(253)	3,224	80,387	235,578
Medical Assistance Payments	2,450,197	7,256,903	(82,581)	56,013	2,367,616	7,312,916
Vocational Rehabilitation	20,382	106,625	18	914	20,400	107,539
Administration and Supporting Services	61,894	108,456	5,429	19,183	67,323	127,639
Payments to Other Agencies	84,022	126,016	2,552	3,575	86,574	129,591
Total	6,605,069	15,840,269	(48,765)	170,946	6,556,304	16,011,215

2003-05 Biennial Budget, 2004 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2003-05 Biennial Budget		2004 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Natural Resource Agencies						
Columbia River Gorge Commission	684	1,347			684	1,347
Department of Ecology	66,727	303,535	6,165	8,185	72,892	311,720
Pollution Liability Insurance Program		1,894				1,894
State Parks and Recreation Commission	59,962	104,118	333	1,279	60,295	105,397
Interagency Committee for Outdoor Recreation	2,502	24,260	325	450	2,827	24,710
Environmental Hearings Office	1,883	1,883	49	49	1,932	1,932
State Conservation Commission	4,479	6,641			4,479	6,641
Department of Fish and Wildlife	81,632	277,840	910	1,888	82,542	279,728
Department of Natural Resources	64,540	280,145	30,612	31,323	95,152	311,468
Department of Agriculture	14,688	91,186	380	612	15,068	91,798
Total	297,097	1,092,849	38,774	43,786	335,871	1,136,635
Transportation Agencies						
Board of Pilotage Commissioners		272		6		278
Washington State Patrol	38,860	339,472		4,480	38,860	343,952
Traffic Safety Commission		20,920				20,920
Department of Licensing	9,974	217,735	133	2,260	10,107	219,995
Department of Transportation		3,700,370		(1,516)		3,698,854
County Road Administration Board		94,184		9		94,193
Transportation Improvement Board		200,647		6		200,653
Marine Employees' Commission		352		10		362
Transportation Commission		807		7		814
Freight Mobility Strategic Investment Board		616		9		625
Total	48,834	4,575,375	133	5,271	48,967	4,580,646
Education Agencies						
Office of the Superintendent of Public						
Instruction	41,538	129,190	941	8,239	42,479	137,429
General Apportionment	7,945,276	7,945,276	18,797	18,797	7,964,073	7,964,073
Pupil Transportation	411,917	411,917	23,293	23,293	435,210	435,210
School Food Services	6,200	383,061		(19,941)	6,200	363,120
Special Education	861,198	1,270,835	1,181	16,491	862,379	1,287,326
Educational Service Districts	7,075	7,075			7,075	7,075
Levy Equalization	329,309	329,309	3,281	3,281	332,590	332,590
Elementary and Secondary School						
Improvement		46,198		(3,381)		42,817
Institutional Education	37,688	37,688	(1,078)	(1,078)	36,610	36,610
Education of Highly Capable Students	13,211	13,211	52	52	13,263	13,263
Student Achievement Program		398,203		4,034		402,237
Education Reform	74,767	204,129	1,275	36,960	76,042	241,089
Transitional Bilingual Instruction	101,853	148,162	3,181	1,416	105,034	149,578
Learning Assistance Program	129,436	436,614	4,909	(947)	134,345	435,667
Compensation Adjustments	145,181	145,740	989	986	146,170	146,726
Superintendent of Public Instruction Total	10,104,649	11,906,608	56,821	88,202	10,161,470	11,994,810

RECOMMENDATION SUMMARIES

2003-05 Biennial Budget, 2004 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2003-05 Biennial Budget		2004 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Higher Education Coordinating Board	312,297	329,640	16,997	19,011	329,294	348,651
University of Washington	631,212	3,624,733	3,877	3,877	635,089	3,628,610
Washington State University	375,219	864,579	2,913	2,913	378,132	867,492
Eastern Washington University	83,044	160,199	314	314	83,358	160,513
Central Washington University	81,156	181,036	308	308	81,464	181,344
The Evergreen State College	46,449	90,620	265	265	46,714	90,885
Spokane Intercollegiate Research and Technology Institute	2,822	2,922			2,822	2,922
Western Washington University	109,182	254,158	413	413	109,595	254,571
Community and Technical College System	1,025,814	1,892,613	16,700	18,700	1,042,514	1,911,313
Higher Education Total	2,667,195	7,400,500	41,787	45,801	2,708,982	7,446,301
State School For The Blind	9,255	10,590	200	200	9,455	10,790
State School For The Deaf	15,137	15,369			15,137	15,369
Work Force Training and Education Coordinating Board	3,282	57,571			3,282	57,571
Washington State Arts Commission	4,500	5,526			4,500	5,526
Washington State Historical Society	4,867	7,647			4,867	7,647
Eastern Washington State Historical Society	2,891	2,891			2,891	2,891
Other Education Total	39,932	99,594	200	200	40,132	99,794
Total Education	25,583,620	38,713,810	197,416	268,206	25,781,036	38,982,016
Special Appropriation Agencies						
State Employee Compensation	48,284	84,729	(4,695)	(7,590)	43,589	77,139
Bond Retirement and Interest	1,249,251	1,791,903	(5,348)	(1,198)	1,243,903	1,790,705
Special Appropriations to the Governor	18,249	81,015	28,337	55,745	46,586	136,760
Sundry Claims	18	383	45	46	63	429
Contributions to Retirement Systems	55,170	55,170			55,170	55,170
Appropriations in Other Legislation		24,476				24,476
Total	1,370,972	2,037,676	18,339	47,003	1,389,311	2,084,679

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
Community, Trade, and Economic Development			
88-2-002 Rural Washington Loan Fund			
689-2 Rural Washington Loan Account-Federal	(4,542,969)	(4,542,969)	
689-1 Rural Washington Loan Account-State	4,542,969	4,542,969	
Project Total			
00-2-007 Drinking Water Assistance Program			
04R-1 Drinking Water Assistance Account-State	3,983,356	3,983,356	
04-2-954 Lewis and Clark Confluence Project			
057-1 State Building Construction Account-State	5,000,000		5,000,000
04-4-002 Drinking Water Assistance Account			
04R-1 Drinking Water Assistance Account-State	4,200,000		4,200,000
04-4-009 Rural Washington Loan Fund (RWLF)			
689-2 Rural Washington Loan Account-Federal	(1,581,000)		(1,581,000)
689-1 Rural Washington Loan Account-State	1,581,000		1,581,000
Project Total			
Agency Fund Total			
04R-1 Drinking Water Assistance Account-State	8,183,356	3,983,356	4,200,000
689-2 Rural Washington Loan Account-Federal	(6,123,969)	(4,542,969)	(1,581,000)
689-1 Rural Washington Loan Account-State	6,123,969	4,542,969	1,581,000
057-1 State Building Construction Account-State	5,000,000		5,000,000
Agency Total	13,183,356	3,983,356	9,200,000

Department of General Administration

01-H-004 Heritage Park			
036-1 Capitol Building Construction Account-State	(130,000)	(130,000)	
02-1-008 Transportation Building Preservation			
289-1 Thurston County Capital Facilities Account-State	550,000		550,000
04-1-004 Statewide Facilities Preservation - Minor Works			
289-1 Thurston County Capital Facilities Account-State	1,435,000		1,435,000
04-1-013 GA Building Rehabilitation			
289-1 Thurston County Capital Facilities Account-State	400,000		400,000

RECOMMENDATION SUMMARIES

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
Department of General Administration (Continued)			
04-1-015 Earthquake Repair			
289-1 Thurston County Capital Facilities Account-State	738,500		738,500
04-2-002 State Capitol Master Plan Update			
289-1 Thurston County Capital Facilities Account-State	100,000		100,000
04-2-014 Engineering & Architectural Services			
057-1 State Building Construction Account-State	3,227,000		3,227,000
289-1 Thurston County Capital Facilities Account-State	(3,227,000)		(3,227,000)
Project Total			
Agency Fund Total			
036-1 Capitol Building Construction Account-State	(130,000)	(130,000)	
057-1 State Building Construction Account-State	3,227,000		3,227,000
289-1 Thurston County Capital Facilities Account-State	(3,500)		(3,500)
Agency Total	3,093,500	-130,000	3,223,500

Department of Social and Health Services

98-2-002 Eastern State Hospital: Legal Offender's Unit		
057-1 State Building Construction Account-State	250,000	250,000
Agency Fund Total		
057-1 State Building Construction Account-State	250,000	250,000

Department of Health

04-4-003 Drinking Water Assistance Program		
04R-2 Drinking Water Assistance Account-Federal	18,100,000	18,100,000
Agency Fund Total		
04R-2 Drinking Water Assistance Account-Federal	18,100,000	18,100,000

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
Department of Corrections			
98-2-011 CRCC: Expansion			
057-1 State Building Construction Account-State	45,642,051		45,642,051
04-1-021 Minor Works - Health, Safety, and Code			
057-1 State Building Construction Account-State	(250,000)		(250,000)
05-1-003 Statewide-Water System Plans			
057-1 State Building Construction Account-State	110,000		110,000
05-2-002 WCCW - Special Needs Unit Sewer Capacity Connection Fee			
057-1 State Building Construction Account-State	140,000		140,000
<hr/>			
Agency Fund Total			
057-1 State Building Construction Account-State	45,642,051		45,642,051
<hr/>			
University of Washington			
02-2-028 UW Life Sciences II Building			
057-1 State Building Construction Account-State	2,000,000		2,000,000
04-1-011 UW Campus Communications Infrastructure			
357-1 Gardner-Evans Higher Education Construction Account-State	8,500,000		8,500,000
04-1-024 UW Emergency Power Expansion - Phase II			
357-1 Gardner-Evans Higher Education Construction Account-State	7,813,164		7,813,164
05-2-001 Photonics Research Laboratory Facilities			
357-1 Gardner-Evans Higher Education Construction Account-State	4,300,000		4,300,000
05-2-002 Guthrie Hall Psychology Facilities Renovation			
057-1 State Building Construction Account-State	3,000,000		3,000,000
05-2-003 UW Infectious Disease Laboratory Facilities			
357-1 Gardner-Evans Higher Education Construction Account-State	4,000,000		4,000,000
<hr/>			

RECOMMENDATION SUMMARIES

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
University of Washington (Continued)			
Agency Fund Total			
357-1 Gardner-Evans Higher Education Construction Account-State	24,613,164		24,613,164
057-1 State Building Construction Account-State	5,000,000		5,000,000
Agency Total	29,613,164		29,613,164

Washington State University

00-2-906 WSU Spokane Riverpoint - Academic Center Bldg: New Facility			
357-1 Gardner-Evans Higher Education Construction Account-State	6,650,000		6,650,000
04-2-074 WSU Pullman - WSUnet Infrastructure			
357-1 Gardner-Evans Higher Education Construction Account-State	6,000,000		6,000,000
04-2-082 WSU Pullman - Wastewater Reclamation Project: Infrastructure			
057-1 State Building Construction Account-State	3,400,000		3,400,000
<hr/>			
Agency Fund Total			
357-1 Gardner-Evans Higher Education Construction Account-State	12,650,000		12,650,000
057-1 State Building Construction Account-State	3,400,000		3,400,000
Agency Total	16,050,000		16,050,000

Eastern Washington University

00-1-003 EWU Senior Hall Renovation			
357-1 Gardner-Evans Higher Education Construction Account-State	8,120,012		8,120,012
<hr/>			
Agency Fund Total			
357-1 Gardner-Evans Higher Education Construction Account-State	8,120,012		8,120,012

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
Central Washington University			
02-2-101 CWU/Highline Higher Education Center			
357-1 Gardner-Evans Higher Education Construction Account-State	2,000,000		2,000,000
04-1-025 Preservation - Health, Safety and Code Requirements			
063-1 Central Washington University Capital Projects Account-State	450,000		450,000
04-1-027 Preservation - Infrastructure			
063-1 Central Washington University Capital Projects Account-State	713,500		713,500
<hr/>			
Agency Fund Total			
063-1 Central Washington University Capital Projects Account-State	1,163,500		1,163,500
357-1 Gardner-Evans Higher Education Construction Account-State	2,000,000		2,000,000
Agency Total	3,163,500		3,163,500

The Evergreen State College

04-1-004 Life Safety Code Compliance			
066-1 The Evergreen State College Capital Projects Account-State	(1,600,000)		(1,600,000)
05-2-001 Lab I First Floor - Class/Laboratory Renovation			
357-1 Gardner-Evans Higher Education Construction Account-State	3,100,000		3,100,000
<hr/>			
Agency Fund Total			
357-1 Gardner-Evans Higher Education Construction Account-State	3,100,000		3,100,000
066-1 The Evergreen State College Capital Projects Account-State	(1,600,000)		(1,600,000)
Agency Total	1,500,000		1,500,000

Western Washington University

98-2-053 Communications Facility			
057-1 State Building Construction Account-State	(4,000,000)	(4,000,000)	

RECOMMENDATION SUMMARIES

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
Western Washington University (Continued)			
04-1-080 Bond Hall Renovation/Asbestos Abatement			
357-1 Gardner-Evans Higher Education Construction Account-State	3,750,000		3,750,000
057-1 State Building Construction Account-State	1,150,000		1,150,000
Project Total	4,900,000		4,900,000
<hr/>			
Agency Fund Total			
357-1 Gardner-Evans Higher Education Construction Account-State	3,750,000		3,750,000
057-1 State Building Construction Account-State	(2,850,000)	(4,000,000)	1,150,000
Agency Total	900,000	(4,000,000)	4,900,000

Eastern Washington State Historical Society

98-2-001 Cheney Cowles Museum: Addition and Remodel			
057-1 State Building Construction Account-State	1,200,000		1,200,000
<hr/>			
Agency Fund Total			
057-1 State Building Construction Account-State	1,200,000		1,200,000

Department of Ecology

86-2-007 Centennial Clean Water Fund			
139-1 Water Quality Account-State	4,600,505	4,600,505	
01-H-010 Irrigation Efficiencies			
057-1 State Building Construction Account-State	1,500,000		1,500,000
139-1 Water Quality Account-State	(792,233)	(792,233)	
Project Total	707,767	-792,233	1,500,000
02-2-006 Padilla Bay Expansion			
001-2 General Fund-Federal	144,932		144,932

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
Department of Ecology (Continued)			
02-4-007 Centennial Clean Water Fund			
058-1 Public Works Assistance Account-State	793,214	793,214	
139-1 Water Quality Account-State	(329,958)	(329,958)	
Project Total	463,256	463,256	
04-2-001 Water Conveyance Infrastructure Projects			
057-1 State Building Construction Account-State	8,300,000		8,300,000
04-2-003 Quad City Water Right Mitigation			
057-1 State Building Construction Account-State	2,750,000		2,750,000
04-4-002 Water Pollution Control Program			
727-1 Water Pollution Control Revolv Acct-State	1,590,891		1,590,891
04-4-004 Sunnyside Valley Irrigation District Water Conservation			
072-1 State and Local Improvements Revolving Account (Water Supply Facilities)-State	525,000		525,000
04-4-007 Centennial Clean Water Program			
057-1 State Building Construction Account-State	(1,500,000)		(1,500,000)
04-4-008 Local Toxics Grants to Locals for Cleanup and Prevention			
174-1 Local Toxics Control Account-State	2,050,000		2,050,000
05-4-002 Reclaimed Water Projects - City of Buckley			
057-1 State Building Construction Account-State	225,000		225,000
05-4-003 Basin Flow Achievement and Protection Programs			
057-1 State Building Construction Account-State	4,000,000		4,000,000
Agency Fund Total			
001-2 General Fund-Federal	144,932		144,932
174-1 Local Toxics Control Account-State	2,050,000		2,050,000
058-1 Public Works Assistance Account-State	793,214	793,214	
072-1 State and Local Improvements Revolving Account (Water Supply Facilities)-State	525,000		525,000
057-1 State Building Construction Account-State	15,275,000		15,275,000
727-1 Water Pollution Control Revolv Acct-State	1,590,891		1,590,891
139-1 Water Quality Account-State	3,478,314	3,478,314	
Agency Total	23,857,351	4,271,528	19,585,823

RECOMMENDATION SUMMARIES

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
State Parks and Recreation Commission			
04-1-026 Leadbetter Point Restoration			
001-2 General Fund-Federal	107,933	107,933	
04-2-024 Unforeseen Needs - special federal and local projects			
001-2 General Fund-Federal	250,000		250,000
001-7 General Fund-Private/Local	250,000		250,000
Project Total	500,000		500,000
04-2-030 John Wayne Pioneer Trail (Iron Horse) Improvements (fund shift)			
269-1 Parks Renewal and Stewardship Account-State	262,500		262,500
057-1 State Building Construction Account-State	(262,500)		(262,500)
Project Total			
.....			
Agency Fund Total			
001-2 General Fund-Federal	357,933	107,933	250,000
001-7 General Fund-Private/Local	250,000		250,000
269-1 Parks Renewal and Stewardship Account-State	262,500		262,500
057-1 State Building Construction Account-State	(262,500)		(262,500)
Agency Total	607,933	107,933	500,000
Interagency Committee for Outdoor Recreation			
00-2-001 Salmon Recovery			
06A-1 Salmon Recovery Account-State	(974,000)	(974,000)	
04-4-006 Firearms and Archery Range Recreation Program (FARR)			
146-1 Firearms Range Account-State	100,000		100,000
.....			
Agency Fund Total			
146-1 Firearms Range Account-State	100,000		100,000
06A-1 Salmon Recovery Account-State	(974,000)	(974,000)	
Agency Total	-874,000	-974,000	100,000

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
State Conservation Commission			
04-4-004 Conservation Reserve Enhancement Program			
057-1 State Building Construction Account-State	2,000,000		2,000,000
05-4-003 Conservation Reserve Enhancement Program - Loans			
CAR-1 Conservation Assistance Revolving Account-State	500,000		500,000
<hr/>			
Agency Fund Total			
CAR-1 Conservation Assistance Revolving Account-State	500,000		500,000
057-1 State Building Construction Account-State	2,000,000		2,000,000
Agency Total	2,500,000		2,500,000

Department of Fish and Wildlife

03-1-001 Job Creation and Infrastructure Projects			
057-1 State Building Construction Account-State	315,000	315,000	
04-1-003 Facility, Infrastructure, Lands, and Access Condition Improvement			
104-1 Wildlife Account-State	250,000		250,000
04-2-006 Fish & Wildlife Opportunity Improvements			
02R-1 Aquatic Lands Enhancement Account-State	300,000		300,000
<hr/>			
Agency Fund Total			
02R-1 Aquatic Lands Enhancement Account-State	300,000		300,000
057-1 State Building Construction Account-State	315,000	315,000	
104-1 Wildlife Account-State	250,000		250,000
Agency Total	865,000	315,000	550,000

Department of Natural Resources

04-2-014 Community and Technical College Trust Land Acquisition			
246-1 Comm/Tech College Forest Reserve Account-State	269,000		269,000
<hr/>			
Agency Fund Total			
246-1 Comm/Tech College Forest Reserve Account-State	269,000		269,000

RECOMMENDATION SUMMARIES

2004 Supplemental Capital Plan Appropriations by Agency and Project

	Estimate Total	Reappropriation 2003-05	New Appropriation 2003-05
Community and Technical College System			
04-1-204 Grays Harbor College: Replacement-Instructional Building			
357-1 Gardner-Evans Higher Education Construction	19,471,749		19,471,749
Account-State			
04-1-208 Peninsula College: Science and Technology Building Replacement			
357-1 Gardner-Evans Higher Education Construction	1,134,000		1,134,000
Account-State			
04-1-213 Bellingham Technical College: Welding/Auto Collision Replacement			
357-1 Gardner-Evans Higher Education Construction	14,357,000		14,357,000
Account-State			
<hr/>			
Agency Fund Total			
357-1 Gardner-Evans Higher Education Construction	34,962,749		34,962,749
Account-State			

2004 Supplemental Capital Program Summary by Source of Funds

		Reappropriations		Appropriations	
Source of Funds	Total	State	Federal/Local	State	Federal/Local
Appropriated Funds:					
Aquatic Lands Enhancement Account (02R)	300,000			300,000	
Capitol Building Construction Acct (036)	(130,000)	(130,000)			
Comm/Tech College Forest Reserve (246)	269,000			269,000	
Conservation Assistance Rev. Acct (CAR)	500,000			500,000	
CWU Capital Projects Account (063)	1,163,500			1,163,500	
Drinking Water Assistance Account (04R)	26,283,356	3,983,356		4,200,000	18,100,000
Firearms Range Account (146)	100,000			100,000	
Gardner-Evans High Ed Construction (357)	89,195,925			89,195,925	
General Fund - Basic Account (001)	752,865		107,933		644,932
Local Toxics Control Account (174)	2,050,000			2,050,000	
Parks Renewal/Stewardship Account (269)	262,500			262,500	
Public Works Assistance Account (058)	793,214	793,214			
Rural Washington Loan Account (689)		4,542,969	(4,542,969)	1,581,000	(1,581,000)
Salmon Recovery Account (06A)	(974,000)	(974,000)			
St/Loc Impr Rev Acct Water Sup Fac (072)	525,000			525,000	
State Building Construction Account (057)	78,196,551	(3,435,000)		81,631,551	
State Wildlife Account (104)	250,000			250,000	
TESC Capital Projects Account (066)	(1,600,000)			(1,600,000)	
Thurston County Capital Facilities (289)	(3,500)			(3,500)	
Water Pollution Control Revolving (727)	1,590,891			1,590,891	
Water Quality Account (139)	3,478,314	3,478,314			
Total Appropriated Funds	203,003,616	8,258,853	(4,435,036)	182,015,867	17,163,932

Capital Alternate Financing Projects

Community and Technical College System

This project provides authority to construct a student fitness and recreation center at Pierce College Puyallup.

Location	Puyallup
Type	Certificates of Participation
Area	35,000 square feet
2003-05 Cost	\$8,000,000

This project provides authority to expand the Health and Wellness Center to include a student recreation center with a multi-purpose gym, offices, and storage at Pierce College Fort Steilacoom.

Location	Lakewood
Type	Certificates of Participation
Area	25,000 square feet
2003-05 Cost	\$5,000,000

This project provides authority to complete the renovation of the existing technology building and construct an addition at Columbia Basin College.

Location	Pasco
Type	Certificates of Participation
Area	72,000 square feet
2003-05 Cost	\$8,000,000